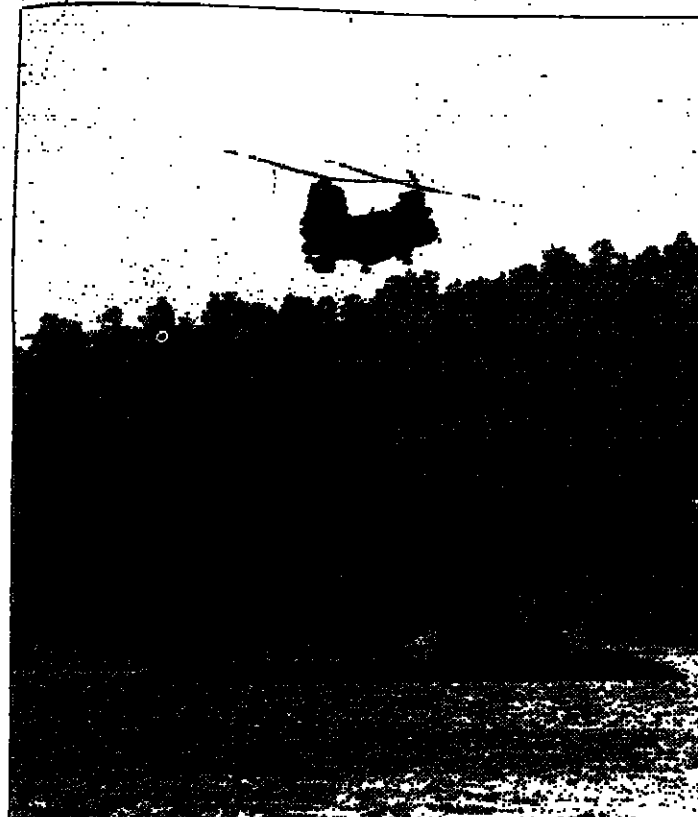
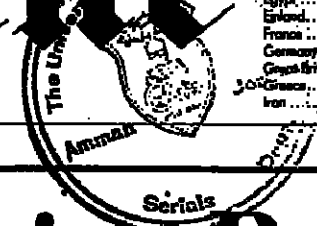


Herald Tribune

Published With The New York Times and The Washington Post



A Swedish submarine blocks off an area near the Malmö naval base, south of Stockholm, as a helicopter searches for a submarine that military sources say has been detected in the area.

Swedes Continue Hunt For Mystery Submarine

Stockholm — Swedish ships dropped depth charges Tuesday to force to the surface an unidentified submarine trapped near the country's most sensitive naval base. Some traces of oil have been spotted in the water, a military spokesman said.

The oil spots do not necessarily mean that it has been damaged, said Admiral Christer Kierkegaard, who reported that the Swedish authorities have had radar and hydrophone contact with the submarine. A hydrophone is an instrument for listening to sound transmitted through water.

Since the search began Friday, a spokesman said, the Navy has dropped 12 depth charges, which are explosive projectiles designed for underwater use. Lieutenant Colonel Jan-Ake Berg of the defense staff said Soviet, Polish and West German submarines were known to be in the Baltic Sea.

"It's not one of ours," a U.S. military spokesman said.

The search for the submarine began when military personnel reported sighting a periscope Friday morning. Further civilian and military reports indicated that a submarine was in the waters of the Stockholm archipelago, a chain of hundreds of small, scenic islands.

Navy, coast guard and customs resources have been put into the intensive search. The authorities would not comment on the total number of vessels or personnel involved.

The latest sighting is the ninth confirmed incident of foreign submarines, most of them believed to be Russian, in Swedish territorial

U.S. Urges Saudis to Help Cairo Build Jets

By George C. Wilson
Washington Post Service

WASHINGTON — The Reagan administration is urging Saudi Arabia to lend Egypt as much as \$2 billion to manufacture U.S. warplanes for friendly countries in the Middle East and the Gulf, according to administration officials.

The plan calls for friendly Gulf states, such as Bahrain, to receive Northrop F-5G fighters, for example, from an Egyptian plant. The United States would provide designs, engineering and engines, keeping the most secret techniques under wraps while giving Egypt experience in manufacturing modern fighter planes.

The administration hopes to strengthen U.S. ties to pro-Western Arab nations while giving them weapons to deter such countries as Iran. Defense Secretary Caspar W. Weinberger, in supporting the rearmament effort for the Middle East and Gulf, has stressed that Israel has nothing to fear, given Israel's overwhelming military superiority.

The administration's clearing the way for selling billions of dollars in weapons to Arab nations has sent U.S. defense contractors scrambling for position. For example, the Northrop Corp. and General Dynamics are fighting to be the supplier of the FX (fighter export) plane for the Gulf.

Northrop is offering its F-5G Tigerhawk, while General Dynamics is trying to sell a downgraded version of its F-16, called the F-16J.

Oil-rich Bahrain, Kuwait and Qatar look particularly promising to U.S. aerospace companies. Bahrain already has agreed to buy four F-5G jets as part of an \$180-million arms deal with the United States.

Northrop got the inside track on selling its FX planes to Bahrain. The company received State Department permission last month to export technical data on its F-5G to Bahrain, industry sources said, and the department turned down four similar requests by General Dynamics to brief Bahrain,



Soldiers question residents outside their home in West Beirut during the Lebanese Army's house-to-house search for illegal aliens and weapons that might have been left by PLO fighters.

Palestinian Roundup Stirs Allied Concern

Beirut — The three Western nations of the peacekeeping force in Lebanon were reported Tuesday to have expressed concern to President Amin Gemayel about the arbitrary arrests and poor treatment of Palestinians by the Lebanese Army in the past two weeks.

Western diplomatic sources said the ambassadors of the United States, France and Italy met jointly with Mr. Gemayel Saturday to discuss the arrests, which are part of a crackdown on all illegal residents in the capital.

The sources said the three ambassadors did not question the Lebanese government's authority to make the arrests but noted distress at reports on the way in which many Palestinians, in particular, were rounded up and the conditions in which they were being held pending interrogation.

The crackdown in Beirut took a dramatic turn Tuesday as the Lebanese Army, aided by French troops, sealed off the entire central area of West Beirut with tanks, armored cars and soldiers in a display of its new-found authority after the Israeli withdrawal and the end of the rule by the independent militias.

Commercial activity was paralyzed throughout West Beirut, and no one was allowed in or out of the area as the army conducted a house-to-house search for arms, criminals and aliens without proper papers.

Security sources said later that 450 persons had been rounded up, some of whom had been blindfolded with their own shirts and taken away in trucks. It is believed that 1,500 to 2,000 persons have been apprehended since the arrests began approximately two weeks ago.

Some of them, those without up-to-date residence permits or with false identity papers, have been deported, but it was not known how many Palestinians were among them.

On Monday, Franco Otteri, Italy's ambassador, said he was optimistic, after Saturday's meeting with Mr. Gemayel, that the army would carry out the arrests with proper safeguards for their rights and better treatment. He said he thought that the situation was stabilizing and that "things are going in the right direction."

But he held urgent consultations with Robert Dillon, the U.S. ambassador, Tuesday morning after the extent of the arrests in West Beirut had become clear. The results of their talks were not immediately known.

Mr. Otteri said in an interview Monday that the peacekeeping force was in a delicate position because it did not want to challenge the government's right to make the arrests or seem to be undermining its authority, since one of its primary tasks was to help it strengthen its hold over the capital and country.

But he said the manner in which the arrests were being made in the Palestinian camps, before the eyes of Italian and French troops, was an embarrassment to the peacekeeping force, which is supposed to be assuring the security of the civilian population.

By David B. Ottaway
Washington Post Service

The force, made up of 3,500 American, French and Italian troops, was rushed to West Beirut late last month after the massacre of hundreds of Palestinians in the refugee camps by Christian militiamen.

The series of arrests engendered new fears among the 500,000 Palestinian civilians living in Lebanon that there would be a larger campaign of official harassment to drive them out of the country.

Many of the Palestinian detainees have been held for more than a week before being released after their identity papers and residence permits were checked. Some have reported that conditions in the army barracks where they were kept were poor and that their treatment by the Lebanese Army and security forces was often rough.

Mr. Otteri said Italian troops, under orders from their government, were forbidden to search homes for arms or check cars and identity papers at roadblocks. Their main duty, he said, was to assure that Christian militiamen or others did not infiltrate the Palestinian camps and to put pressure on the Lebanese Army and other security authorities to carry out the searches and arrests correctly.

The French troops, on the other hand, are working alongside the Lebanese soldiers at checkpoints throughout the capital checking cars and identity cards.

U.S. Marines, based at the airport and outside populated areas of the city, are not involved in providing security at the camps or in

(Continued on Page 2, Col. 6)

Kohl Says European Unity Will Be An 'Utmost Priority' of His Cabinet

The Associated Press

BRUSSELS — Chancellor Helmut Kohl of West Germany pledged Tuesday to make European unity a high priority of his new government.

"The new federal government has decided to give European matters a move forward," Mr. Kohl told reporters in a declaration in the lobby of the European Parliament's office center.

"An utmost priority will be given to matters related to European unity and the European Parliament. If we don't take substantial steps forward, we will have failed in the duties of our generation."

Mr. Kohl said he was the first chief of state of the 10-nation European Community to visit the parliament's two-year old central office building, and he added: "I think it was about time."

Mr. Kohl and his Christian Democratic Union joined with the Free Democrats Friday to unseat Helmut Schmidt and take power in West Germany after 13 years of Social Democratic rule.

Long before the change of government, Mr. Kohl agreed to come to Brussels to meet Christian Democrats from other European countries. Because of the need to demonstrate unity, he said, he decided to keep the appointment "in spite of my new obligations in Bonn."

The 1980s, he said, "are of the utmost importance for Europe's unification."

The West German leader went to Paris on Monday to meet President Francois Mitterrand and underscore the spirit of cooperation between West Germany and France that has marked postwar European history. He plans to hold talks soon with Prime Minister Margaret Thatcher of Britain.

Mr. Kohl went out of his way to make his visit low key, and aides stressed that he was in the Belgian

capital in his capacity as a Christian Democratic leader. At his first meeting of the day, Mr. Kohl entered the ministry through a back

Bonn says it won't change policy on Soviet pipeline. Page 4.

door to avoid reporters and photographers, who were massed at the main entrance.

Also present at the meeting were Foreign Minister Leo Tindemans

of Belgium; Ciriaco de Mita, secretary general of Italy's Christian Democratic Party; and Diego Freitas do Amaral of Portugal, president of the Union of Christian Democratic Parties in Europe.

In his afternoon talk at the parliament office building, Mr. Kohl met with leaders of the 107-member Christian Democratic Group, the second largest bloc in the European Parliament. Only the Socialists have more members.

China and Russia Open New Talks

The Associated Press

BEIJING — China and the Soviet Union in strict secrecy opened exploratory talks Tuesday aimed at improving strained bilateral relations, trade and cultural exchanges, foreign diplomatic sources said Tuesday.

Deputy Foreign Minister Leonid F. Ilyichov of the Soviet Union met with Deputy Foreign Minister Qian Qichen at the Foreign Ministry for open-ended talks without an agenda, the sources said. No details were available. The Foreign

Ministry had no comment on the consultations, the first in almost three years, and the Chinese press has not reported the meeting.

In Moscow, Vietnam joined the Soviet Union in calling for normalization of relations with China. A report issued by Tass said President Leonid I. Brezhnev of the Soviet Union and the state council chairman, Truong Chinh, of Vietnam had agreed that improved relations between Vietnam and China and between the Soviet Union and China would be in the interests of all three nations.

NATO Debates Shift to Conventional Weapons

By Joseph Fitchett
International Herald Tribune

PARIS — NATO has started a major strategic debate about whether a new generation of conventional weapons will enable the alliance to deter the Soviet Union while sharply reducing Western dependence on nuclear arms.

The new emphasis on conventional defense, of which the United States is the leading advocate, could help defuse the protests of anti-nuclear movements in Europe and the United States, but taxpayers would have to pay for slightly bigger defense budgets to adequately modernize Western conventional arsenals.

Summing up the U.S. view, a diplomat said: "NATO's nuclear doctrine is losing credibility because of public opposition in the West, so the allies should make the extra spending effort to acquire a credible conventional defense based on high technology." The plan would use highly accurate missiles to break up Soviet troop concentrations and allow NATO troops to counterattack against isolated Soviet units.

But the U.S. campaign alarms many European leaders. Although they would like to placate the anti-nuclear lobby, they worry about the extra costs of conventional forces and are apprehensive about a new doctrine of defense that involves nonnuclear missile strikes deep into Warsaw Pact territory.

And France, which continues to invest heavily in nuclear weapons as an alternative to membership in the North Atlantic Treaty Organization, is irritated by U.S. officials say that expensive, sophisticated conventional arms will dominate future battlefields.

The debate has emerged publicly in statements by NATO's commander, General Bernard Rogers, that NATO could dispense with most of its 6,000 short-range nuclear arms for battlefield use if allied governments would raise their defense spending by 4 percent a year for the rest of the 1980s.

The extra spending would allow NATO to invest in the new strate-

gy, which is based on U.S.-made weapons, mainly precision-guided long-range missiles that can home in on targets deep behind Soviet lines. Western reconnaissance planes and computers would enable NATO to spot enemy troop concentrations fast and accurately.

This strategy, devised by the United States and known as Airlaid Battle 2000, aims to disrupt Soviet reinforcements before they could reach the front in an assault.

The Swedish authorities said several months ago that the navy would start using depth charges beginning in July 1983 to force foreign submarines to the surface, but the country's armed forces commander warned that the charges might be used before then.

The latest submarine sighting came last week while 3,000 sailors were taking part in a joint navy and coast guard exercise near Malmö, just outside the suburbs of Stockholm, the spokesman said. Until Monday, little had been known of the search for the submarine.

The Swedish authorities said several months ago that the navy would start using depth charges beginning in July 1983 to force foreign submarines to the surface, but the country's armed forces commander warned that the charges might be used before then.

The conventional strategy, its advocates contend, would not eliminate the need for NATO to keep some nuclear arms as a weapon of last resort and part of Western deterrence. But they say, an adequate buildup of new conventional weapons and forces trained in new tactics would enable NATO to absorb any foreseeable Warsaw Pact assault.

NATO could then remove many of the short-range battlefield nuclear weapons — for example,

needed, according to General Rogers' estimates.

But only the United States and Britain are meeting the initial goal. "Most NATO governments are already walking away from the 3 percent, so the Reagan administration is saying that just a little extra effort could produce big results," a U.S. diplomat said.

The new precision-guided munitions are all manufactured in the

United States, another point of objection by Europeans.

Traditionally, the United States has sought to obtain more European spending on conventional defenses, and the issue has gained momentum in recent NATO meetings because of wide objections to NATO's attempts to modernize its nuclear forces.

"The heart of NATO's problem is that it has a military strategy that cannot be implemented," wrote Senator Sam Nunn, Democrat of Georgia, a respected congressional specialist on NATO, recently reporting on the alliance.

"Under conditions of strategic parity, a NATO nuclear response to nonnuclear Soviet aggression in Europe would be a questionable strategy at best, a self-defeating one at worst," he wrote. "This major responsibility for continued deterrence in Europe has shifted to NATO's outnumbered, outgunned and malleable conventional forces."

Senator Nunn has urged the Reagan administration to freeze any additional U.S. expenditure on NATO unless the alliance agrees to adopt a strategy along the lines of the U.S. military's concept of the Airlaid Battle. The new approach has already found wide acceptance among most allied armies after bilateral military talks, but political objections are starting to surface before the NATO summit in December, when the United

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States intends to submit the Airlaid Battle concept, officials say.

The Airlaid Battle, as outlined by military officials attending a recent meeting of the European-American Strategic Research Workshop organized by strategist Albert Wohlstetter, involves shifting NATO away from a Maginot-line-type static defense to a strong emphasis on counterattack. Instead of trying to inflict heavy casualties on Soviet troops while waiting for U.S. reinforcements, the Airlaid Battle approach calls for NATO troops to give ground slowly while decimating the second echelons of the Warsaw Pact forces.

European apprehensions about this approach center on the new tactics' emphasis on striking deep — and quickly — into Eastern Europe and perhaps even the Soviet Union. Such "cross-border" operations are not part of NATO's traditional defensive tactics.

In addition, to be effective, NATO would probably have to start firing its missiles — for example, conventional Pershing-2 and cruise missiles — almost simultaneously with the start of a Soviet offensive. This hair-trigger response poses problems of political control over military operations, experts say.

The advantage, however, is that highly accurate new missiles would enable NATO to do the job — destroying armor, airfields and communications — with conventional warheads instead of needing high-blast nuclear weapons to be sure of destroying the target.

In discussions about these new trends in warfare, European officials at recent informal discussions such as the annual meeting of the International Institute for Strategic Studies have indicated a preference for the United States to put less emphasis on the novelty of its new arms and tactics. Instead, European spokesmen said, it would be politically safer to emphasize that conventional options have always been part of NATO's deterrent strategy, thus trying to avoid unsettling public debate.

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Top Solidarity Leader Is Arrested in Poland

By Michael Dobbs
Washington Post Service

WARSAW — Military authorities announced Tuesday night the arrest of one of the top underground leaders of Solidarity a few days before the independent trade union's expected dissolution.

The main evening television news bulletin named the Solidarity official as Wladyslaw Frasnynuk, 28, leader of the union's Wroclaw region in southwestern Poland. He was charged by a military prosecutor with organizing illegal demonstrations and other protests against martial law.

Mr. Frasnynuk managed to avoid arrest when martial law was declared Dec. 13 and went into hiding in the Wroclaw area. He was one of four senior Solidarity officials who formed a provisional coordinating commission in April to run the union's affairs while the remainder of its elected leaders were interned.

Mr. Frasnynuk's arrest marks a major success for the martial law authorities as they prepare for an important session of the Sejm, or parliament, on Saturday that will discuss the dissolution of Solidarity and other trade unions. It could severely undermine the effectiveness of protests against a new trade union law that parliament is expected to pass.

Solidarity's Wroclaw region was regarded as one of the most radical in Poland and the source of the most determined opposition to the military regime. Local residents said that the underground seemed much better organized there than in other parts of the country and that Mr. Frasnynuk had been in personal touch with Solidarity supporters in the factories.

Solidarity's underground leadership is made up of union officials from Warsaw, Odansk, Krakow and Wroclaw who have held an av-

erage of one meeting a month. Mr. Frasnynuk's arrest will make it more difficult for the remaining underground leaders to meet and could explain why the provisional commission has not yet reacted publicly to the government's proposed trade union law.

Reuters reported from Warsaw that a senior priest in the Roman Catholic Church said Tuesday that the Polish primate, Archbishop Jozef Glemp, was calling off his planned visit to the United States next week.

On Monday, Archbishop Glemp canceled plans to visit the Vatican this weekend because of concern over the situation at home as the government prepares to dissolve Solidarity.

Archbishop Glemp was scheduled to confer with Pope John Paul II and attend the canonization of a Polish priest, Maximilian Kolbe, who sacrificed his life for another man in a Nazi concentration camp.

Informed sources said a Polish state delegation would attend the Vatican ceremonies on Sunday.

The delegation will include the religious affairs minister, Adam Lopatka, and the deputy prime minister, Zenon Komorowski.

The parliament is expected to pass the bill to dissolve all trade unions, including Solidarity, on Saturday and to lay the foundation for new unions whose role would be tightly restricted.

Last week, Archbishop Glemp said that he feared the dissolution of Solidarity could provoke major disturbances.

Despite widespread anti-government and pro-Solidarity demonstrations that developed into fierce clashes this summer, government officials have said they do not expect serious disturbances to follow the union's dissolution.

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Swaziland's Byzantine Royal Succession: 'We've Baffled the World'

By Joseph Lelyveld
New York Times Service

MBABANE, Swaziland — This independent black kingdom, which is clamped in a vise between white-ruled South Africa and Marxist Mozambique, is undergoing the first royal succession it has experienced in this century as tribal elders try to fill the political and cultural vacuum left by the death six weeks ago of King Sobhuza II. Gentle in manner but zealous in his defense of traditional values and rites, King Sobhuza managed to embody a remarkable compromise between tribal statecraft and contemporary mass politics.

Queen Mother, 'Authorized Person' Play Key Roles After Death of the King

His traditional statecraft was largely based on a complex pattern of kinship ties between the royal house and the leading Swazi clans that left the king, at a conservative estimate, with about 70 wives and 150 offspring. Tradition dictated that, in order to avoid intrigue, there could be no crown prince. Now no outsider claims to know how many sons he had or how many of these were eligible to succeed him.

The identity of the new king will not be revealed, it appears, until the end of the official mourning period. Several weeks ago all Swazis were ordered to shave their heads as a gesture of respect for King Sobhuza. Now their hair is growing back, and life is slowly returning to the unhurried rhythms that represent the norm across Swaziland's green and rolling landscape.

Only foreigners can be heard to speculate about the succession or the durability of the institutions bequeathed by the king. Swaziland experienced labor unrest and party politics before King Sobhuza proclaimed a state of emergency nine years ago and scrapped the constitution that was left behind by the British at the time of independence in 1968.

Because of his prestige, this was generally accepted as a restoration of a natural Swazi order, but among urban youth and government officials there remained a latent resentment — not of the king but of various princes and courtiers who seemed to be enriching themselves under the sovereign's benign protection.

This resentment could become a political force again, but the trauma of the king's death has momentarily stilled political talk among the 600,000 Swazis within the kingdom's borders. "I think they all feel like orphans," a diplomat said. But it may also be that Swazis recognize that the succession has largely been accomplished.

Full Inquiry Demanded In Spanish Coup Plot

MADRID — Spain's army commanders met Tuesday as calls increased for a thorough investigation of an alleged plan for a military coup on the eve of the Oct. 28 general elections.

The Defense Ministry remained silent about the questioning of three army colonels detained during the weekend, and there was no confirmation of reports that five more officers had been arrested.

U.S. to Leave Meeting if It Rejects Israel

UNITED PRESS INTERNATIONAL
NAIROBI — The United States threatened Tuesday to boycott a meeting of the International Telecommunications Union and withdraw all financial support for the organization if a resolution calling for the expulsion of Israel from the union is approved.

UN Urges Iran, Iraq to End War; Tehran Rebuffs Security Council

By Bernard D. Nossiter
New York Times Service
UNITED NATIONS, New York — A unanimous Security Council called on Iran and Iraq on Monday night to stop shooting and withdraw their forces from each other's territory.

The ground war broke out two years ago when Iraqi troops moved into Iran. Iraq said it was reacting to an Iranian artillery attack three weeks earlier. More recently, Iran has largely cleared its territory of Iraqi forces and attempted to push inside Iraq.

United States, China, the Soviet Union, France and Britain. The current rotating members, serving two-year terms, are Ireland, Spain, Uganda, Togo, Zaire, Jordan, Japan, Guyana, Poland and Panama.

WORLD BRIEFS

Angola Denies Cuba Pullout Accord

UNITED NATIONS, New York — Paulo Jorge, the foreign minister of Angola, denied Tuesday U.S. claims that his government had accepted the principle of a withdrawal of Cuban forces from Angola and that only the timetable remained.

Production of Tylenol Is Suspended

CHICAGO — Johnson & Johnson has suspended production of Extra-Strength Tylenol because of the deaths of seven persons by cyanide contained in capsules of the medicine.

2 Iran Hijackers Reportedly Seized

ABU DHABI — Two Iranian hijackers seeking political asylum were seized when their commandeered military plane was forced to return to Iran after four Mideast countries shut their airports to it, an Iranian official said Tuesday.

French Investigate Moroccan's Fate

PARIS — The police said Tuesday they were investigating allegations that Moroccan secret agents kidnapped a Moroccan woman opponent of King Hassan II in France.

Lisbon Denies Report on Coalition

LISBON — A presidential spokesman Tuesday denied radio reports that President Antonio Ramalho Eanes would dismiss Portugal's center-right government coalition this week.

Manila Charges 10 With Rebellion

MANILA — The government filed rebellion charges Tuesday against 10 persons, including a former U.S. Army sergeant who had confessed to placing firebombs in four Manila hotels on the orders of a Filipino rector in California.

New Bomb Blasts Rock City in India

NEW DELHI — Two more bomb explosions rocked Meerut on Tuesday as the government rushed in fresh paramilitary troops to quell a month of violence between Hindus and Moslems. The rioting has claimed at least 30 lives.

U.S. Wants Its Citizens to Tattle: Hot Line Seeks Reports on Fraud

WASHINGTON — Centuries ago, when citizens of Venice wanted to inform their government about a neighbor's wrongdoing, they could drop an anonymous note into the mouth of one of many conveniently situated stone lions.

French Cabinet Adopts Plan to Reform Cities

By Greg MacArthur
The Associated Press

PARIS — The Socialist government adopted a plan Tuesday to decentralize three major French cities and bring local government closer to the people.

Conservatives claim that the real purpose of the reform is to keep Jacques Chirac, the mayor of Paris, as far away as possible from his power base and to create a leftist beachhead in the capital. Mr. Chirac is also the leader of the neo-Gaullist Rally for the Republic party and chief of the conservative opposition in the National Assembly.

The government proposal now goes to the National Assembly, where the Socialists have an absolute majority. Conservative members of parliament have threatened to challenge the constitutionality of the measure if it passes in its present form.

Beirut Arrests Stir Concern

(Continued from Page 1)

helping the Lebanese Army reestablish its authority.

During national municipal elections next March, voters in each of the three cities would elect one representative to the traditional citywide municipal council and at the same time elect a council to run the affairs of the new political subdivisions.

Mr. Draper met with Prime Minister Menachem Begin and Defense Minister Ariel Sharon Tuesday night, while Israel Radio reported that the United States would not support Israel's demand that all remaining Palestinian Liberation Organization fighters leave Lebanon before there is a mutual withdrawal of Israeli and Syrian troops.

The Israeli Foreign Ministry said the subject of which forces should leave Lebanon first did not come up during Mr. Draper's meeting with Mr. Begin and Mr. Sharon or during an earlier session with Foreign Ministry officials.

A spokesman said, "We have no differences of opinion with the Americans."

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The mighty woman from whose "beacon-hand glows world wide welcome" and whose message reads: "Send me these homeless tempest-tost to me," closed the Golden Door. Death greeting him at each sunrise and sunset gave the Shahanshah no respite on our earth. Only one voice in all the crowd called to help a brother, greeting him to rest. Only the voice of ANWAR SADAT could be heard, "come stay in my home, brother." Ailing and dying, lonely for his cherished homeland, his body in pain, the Shahanshah of Iran, Mohammad Reza Pahlavi, builder of a modern and prosperous nation, until his last breath was watched over and protected by Anwar Sadat. He gave him a burial befitting a Moslem brother and enlightened King, who rests at present in the ancient and noble land of Egypt with the sacred soil of Iran he was carrying in exile.

Truly a nobler spirit cannot be found to match Anwar Sadat, a great and noble man. When some criticized him for his beliefs, he stood up firm, against all odds, for what he knew was the Enlightened Way of Islam. Surely Anwar Sadat, a great humanitarian, courageous and unafraid is an inspiration, a beacon to follow; he gave hope for humanity in a world of hatred, intolerance and belligerence.

ACHRAF PAHLAVI
12 Avenue Montaigne,
Paris 75008, France.

هكذا من الأهل



President Ronald Reagan checking the luncheon offerings Monday in the cafeteria of the Accor-Ray Co. in Columbus, Ohio, where he ate with factory workers and toured the electronics plant.

Reagan Striving for a New Image

Strategy Focuses on Average Worker's Concerns

By Steven R. Weisman

New York Times Service

WASHINGTON — Black-tie dinners are out. So, for the time being, are Ronald Reagan's riding breeches.

These are only the more superficial changes at the White House this fall as the president and his staff seek to refocus the suggestion that Mr. Reagan is too friendly to the wealthy and too indifferent to the poor and unemployed.

Despite opinion polls showing that Americans remain hopeful about his economic program, Reagan aides are worried that the "fairness" issue has taken its toll, especially as Democrats charge that administration anti-inflation policies have put people out of work.

Mr. Reagan's advisers are thus trying to defuse the perception of the president hobnobbing with millionaires. They are looking for ways to project a sense of caring about jobs, and about the problems of average Americans, while Mr. Reagan asks them to "stay the course."

"Let's face it, we don't have a lot of arrows in our quiver," one White House official said privately.

Mr. Reagan, according to White House officials, is projecting his views in several ways.

Not only are black-tie dinners, riding breeches and other trappings of the rich out, but the White House is also attempting to think positively. Monday, for example, Mr. Reagan was in Columbus, Ohio, to campaign for Republicans and lunch with workers in a factory cafeteria.

"You've got to be very careful with symbolism because it can look too hollow," said a White House official. "Reagan can't go spend a night at the home of a coal miner. It wouldn't be credible."

Mr. Reagan is also endorsing legislation to produce jobs. Last week, he opened his news conference by calling for passage of an "export trading bill" that he said would create "several hundred thousand new jobs without costing taxpayers a cent."

This was apparently the first time Mr. Reagan had uttered a word about the bill, which changes certain banking and antitrust laws to enable businesses to band together and form trading companies.

Few at the White House were able to give details about the bill, which in fact was first proposed by President Jimmy Carter. An administration official

also doubted that it would create the jobs Mr. Reagan spoke of.

The administration also recently endorsed a bill it had opposed to grant tax credits to computer companies that donate computers to schools.

In another tactic, Mr. Reagan has lately refused to concede what an aide called "the moral high ground" to his critics. He has charged that Democrats favor a "compassion" and "fairness" that is meretricious, however.

"You can't create a desert, hand a person a cup of water and call that compassion," he said in Richmond, Virginia, last week. "You can't pour billions of dollars into dead-end, make-work jobs and call that opportunity. You can't build up years and years of degrading dependence by our citizens on the government and then dare to call that hope. And believe me, you can't drive our people to despair with prices that wipe them out or taxes which sap their energies, and then boast that you have given them fairness."

On the unemployed, one White House official said: "The people who are unemployed won't be for us. We've got to aim our message to the people who have jobs, and convince them that they're better off than before because we have brought down inflation."

Mr. Reagan uses almost every speech these days to drive home the message that he cares. Last week, looking grim, he told his Richmond audience: "Words cannot tell how painful it is to me that each day for millions of Americans is one of hurt and indignity because they want to work and can't."

Deeply anxious about the potential political impact of the unemployment statistics due to be released Oct. 8, administration officials have said repeatedly that an increase in the jobless rate from 9.8 percent in August to 10 percent or more for September is likely.

"In medical terms, it's called inoculation," said a Reagan strategist. "It's a classic political technique: Warn the people of bad news, warn them so much that when it finally happens, it loses steam and credibility."

To many Reagan aides, the biggest obstacle to a recovery is lack of confidence by consumers. These aides feel also that one of Mr. Reagan's biggest assets is his optimism.

Thus, the president, at every turn, speaks of his confidence that recovery will come soon. The drive-back is that Democrats make comparisons with Herbert Hoover and prosperity "just around the corner."

Lobbying Over U.S. Cargo Planes Intensifies

By Charles Mohr

New York Times Service

WASHINGTON — Opponents of a Pentagon plan to spend about \$10 billion to buy 50 C-5B cargo airplanes have said that a new, more versatile plane could be produced almost as rapidly and at a lower ultimate cost.

These critics charged Monday that the air force was seeking ways to sign a C-5B contract with Lockheed Corp. quickly, before more adverse comment on the cost, delivery schedules and performance of the aircraft is made.

The plane, a modified version of Lockheed's C-5A Galaxy that has been designated the C-5B, was authorized by Congress in August after fierce lobbying.

The purchase was planned to meet a shortage of planes with the ability to carry a rapid deployment force to trouble spots.

However, a congressional official who asked not to be quoted by name disclosed Monday that an air force report to a Senate committee said last month that a new, more versatile design of a heavy cargo plane, the C-17, could be made operational only three months later than the C-5B if a contract for the C-5B was delayed until next year.

Defense Secretary Caspar W. Weinberger and Deputy Secretary Frank C. Carlucci, who decided in January to buy the C-5B, argued that the Lockheed purchase would save vital time and be more cost effective.

An expert associated with the C-5B program, who asked not to be identified and who is what in Washington is called a "whistle blower," analyzed similar data and said that "the delivery schedules for the C-5B and the C-17 are now practically the same." The expert argued that "the rationale for the C-5B has now evaporated."

An air force spokesman who works in the rapid deployment program said for his service that the difference in delivery dates for the C-17s and C-5Bs "has decreased markedly." It was originally estimated that the C-5Bs could be delivered three years earlier than the C-17s, which would be produced by McDonnell Douglas Corp. This officer said the difference in delivery dates was "now 16 to 18 months."

He explained that this estimate assumed a contract for the C-5Bs would be signed with Lockheed by Nov. 1.

The C-17 is designed to fly to more austere airfields closer to battle areas and to be cheaper and easier to maintain than the C-5B. The army, marine corps and some officials of the air force Military Airlift Command protested the selection of the C-5B after McDonnell Douglas won a design competition last year.

The confusion and controversy over parliamentary, political, engineering and accounting questions in the strategic airlift battle were compounded by a fog of uncertainty in recent days when Congress adjourned without passing a military appropriations bill for fiscal year 1983, which began Friday.

Congress did pass a resolution to permit military spending to continue until December. Advocates of the C-5B contend the measure would permit the air force to sign the much-delayed contract with Lockheed.

Although the language of the continuing resolution seemed ambiguous to some congressional experts, Senator Theodore F. Stevens, Republican of Alaska, chairman of the defense appropriations subcommittee, said on the Senate floor late Friday that signing a C-5B contract would be permissible.

Representative Joseph P. Addabbo, Democrat of New York,

chairman of the subcommittee on defense appropriations, said he had been asked to approve the quick signing of a C-5B contract. He said he had urged the air force not to commit itself to a "full contract" because it is still a matter of controversy. He cautioned that it would be better to wait until the subcommittee met to consider an appropriation.

Representative Addabbo said air force officials then told him their counsel had prepared a legal opinion stating the 1982 budget would justify classifying the C-5B as an "old" program that would thus not be blocked by reluctance about new commitments.

"This is Alice-in-Wonderland stuff," said a senatorial aide, "when they ask for permission to sign a new contract on grounds that it is an old program."

Navy in U.S. Will Buy 63 Jets for \$1.1 Billion

By Richard Halloran

New York Times Service

WASHINGTON — The navy has decided on the last big piece of its long-range aviation plan by agreeing to a \$1.1-billion contract with the McDonnell Douglas Corp. for F-18 fighter and attack planes.

Secretary of the Navy John F. Lehman Jr. said the normal load of the navy's large aircraft carriers would be two squadrons of F-14 Tomcat fighters, one squadron of A-6 Intruder attack planes and two squadrons of F-18 Hornets.

For McDonnell Douglas, the contract meant the assurance of a program that had been in jeopardy for several years because of rising prices. The aircraft was intended to be a low-cost supplement to the expensive, high-performance F-14.

Mr. Lehman, in a Pentagon news conference Monday, asserted that having the F-18 in the fleet would give "new flexibility" to battle groups centering on aircraft carriers. F-14s are designed to gain air superiority to protect the battle group; A-6s are intended to attack surface targets on land or sea, and the F-18, with quick switches in its armament, is designed to do both.

Critics in Congress have contended, however, that a greater variety of planes adds to costs over the long run, because the expense of specially trained personnel and different equipment to maintain the planes will be greater.

The contract calls for 63 planes at a fixed price of \$18.1 million each. With engines, built by the General Electric Co., the price will be \$22.5 million, or the same price as last year. Sanford N. McDonnell, chairman of the company, said meeting that price had not been easy but that the company would make a profit through "extraordinary effort."

The F-18 contract, which calls

Molasses Gums Up Traffic

The Associated Press

CALDWELL, Idaho — A tanker truck cracked open Monday and spilled 5,000 gallons (19,000 liters) of molasses, blocking the west-bound lanes of a freeway for three hours.

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Controversial Republican Leader Says He Will Quit U.S. Party Post

By Paul Taylor

Washington Post Service

WASHINGTON — Richard M. Richards, the controversial chairman of the Republican National Committee, says he will resign at the end of his two-year term in January because "I don't think I'll be all that much fun next time."

Mr. Richards, 50, announced on Monday that he was leaving but high White House officials insisted that he was being asked to do so.

The officials said President Ronald Reagan met with Mr. Richards Friday to say he did not want him to serve beyond January. But Mr. Richards said he told the president that he would not seek re-election to his party post, then declined Mr. Richards's offer to take a job in the administration.

Mr. Richards, campaigning Monday in Ohio, said he thought Mr. Richards had "done a great job."

For more than a year Mr. Richards has been the subject of stories, floated primarily by White House sources, speculating on his removal. He had been criticized privately for being ineffective both as a manager of the political machinery and as a spokesman.

"Every clerk at the White House thinks he knows how to do my job," Mr. Richards responded Monday. He added that he believes the political arm of the White House should be abolished, because it acts as a "buffer" between Mr. Reagan and the party.

There is no clear favorite to succeed Mr. Richards. The White House reportedly asked Secretary of Transportation Drew Lewis to take the job, but Mr. Lewis has made it clear he is not interested and is no longer under active consideration.

A fresh crop of candidates may emerge after the midterm elections, which inevitably produce "retirees" from Congress and are a customary time for cabinet and White House personnel changes.

The timing of Mr. Richards's announcement — one month before the elections — as just the latest source of tension between the White House and him.

Mr. Richards said he called the press conference Monday on his own because the published speculation about his departure was "disheartening" to Republican National Committee staffers. White House officials expressed "surprise and disappointment" that he chose to confer lame-duck status on himself so soon before the elections.

Mr. Richards said he expected to leave on a high note. He predicted the party would pick up one or

U.S. TV Debate Features Congressional Chiefs

By Adam Clymer

New York Times Service

WASHINGTON — Congressional leaders from both major parties will debate on national radio and television Tuesday night and seek to focus campaign attention on foreign and military issues.

Danish Premier Discloses Broad Austerity Moves

By Adam Clymer

New York Times Service

COPENHAGEN — Paul Schlüter, Denmark's new Conservative prime minister, revealed broad austerity measures Tuesday that he called necessary to revive the country's debt-ridden economy.

Speaking at the opening of the Folketing (parliament), Mr. Schlüter said that his four-party coalition government would propose legislation cutting spending in the public sector and increasing state revenues by a total of 65 billion crowns (\$7.2 billion) over the next two years.

The package, which the prime minister said would promote industrial performance and raise income taxes, included an immediate freeze on wage and retail profit margins until March as well as suspension of the country's inflation-linked payments systems.

Mr. Schlüter said that his three-week-old government faced a rising budget deficit next year of about 80 billion crowns (\$8.9 billion) and a balance of payments gap this year of about 20 billion crowns (\$2.2 billion).

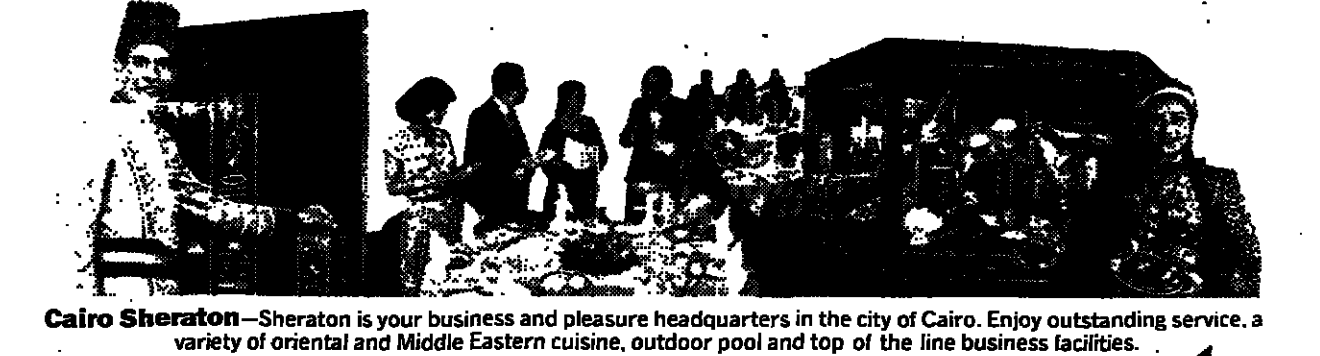
"This is a completely unacceptable situation," he said.

For example, in his recently published book, "Crisis: The Last Year of the Carter Presidency," Hamilton Jordan writes that Ronald Reagan attained a "plausibility threshold" as a potential president in his debate with President Jimmy Carter in 1980. Mr. Jordan, the former White House chief of staff, said Mr. Reagan's performance in that debate made voters take him seriously.

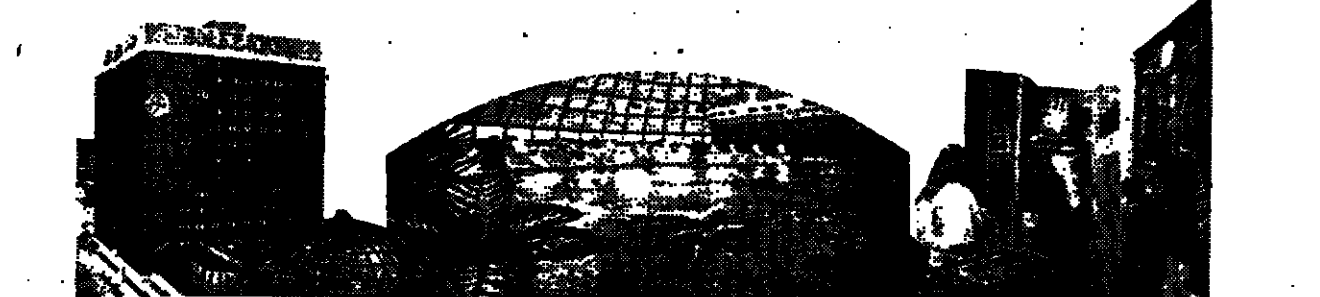
Nancy Simont, executive director of the National Republican Congressional Committee, said she felt that one advantage of these debates was that they "elevate the congressional elections in the public mind."

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U.S. Says Russia Uses 20,000 Spies to Obtain Western Technology

By Paul Lewis

New York Times Service

PARIS — The Soviet Union currently employs 20,000 people inside Russia and abroad identifying and attempting to buy or steal advanced Western technology needed by its armed forces, a senior U.S. official said Tuesday.

The U.S. land-based Minuteman missile force would still be invulnerable to Soviet attack if Soviet agents had not succeeded in obtaining Western technology, which enabled Russia to improve the accuracy and power of its own nuclear missile force, the official said. He also revealed that U.S. intelligence knows how plays an important role in 150 Soviet weapons systems.

The U.S. official briefed reporters at the end of a two-day meeting of North Atlantic Treaty Organization delegates in Paris that had been called to consider the Reagan administration's demand for a sharp tightening of controls on the flow of valuable technology to the Soviet Union and its allies.

At the meeting of the Coordinating Committee on the NATO strategic embargo, known as CoCom, the United States pressed for a big increase in the number of banned items and technologies, tougher enforcement procedures and a closer cooperation between the allies, the official said. To help make its case, the United States brought a Soviet sonar buoy used for detecting allied submarines and showed the committee that its micro-electric circuitry is based on American technology.

The committee — which comprises all NATO countries, except Iceland, and Japan — agreed to review the existing NATO embargo list to see what changes should be made. The review is expected to last several months, officials said.

The U.S. team was led by Richard D. Perle, assistant secretary of defense, and the newly appointed assistant secretary of state for economic and business affairs, Richard McCormick.

After the meeting, U.S. officials said there was a general consensus

that the Soviet Union was making a major effort to acquire Western technology for its forces and that NATO must do more to stop it. But European officials were noticeably more cautious, saying that while some tightening of the embargo might be required many countries doubted that everything the United States was seeking is necessary.

Although CoCom meetings are always cloaked in secrecy, Western officials say the United States is pressing for substantial additions to the list of embargoed items, with special emphasis on advanced technologies in the electronic and metallurgical fields, including the use of silicon. The United States also wants an end to the procedure under which NATO countries regularly asked for an exception to the embargo list for items they wished to sell to the Eastern bloc for civilian purposes.

Since the Soviet intervention in Afghanistan, there has been an informal understanding among NATO countries not to seek any exceptions to the alliance's embargo list.

An earlier U.S. suggestion for tightening the NATO strategic embargo, Western sources say, included a requirement that all Western contracts with the Soviet bloc worth \$150 million or more would require alliance approval. That suggestion, however, apparently was not mentioned at this week's meeting.

NATO countries generally accept the need for tighter controls on the flow of technology to the Soviet bloc. But officials say there are doubts about the scope of the Reagan proposals, a general reluctance to engage in full-scale economic warfare against the Soviet Union.

Aga Khan Visiting Kenya

NAIROBI — The Aga Khan, leader of the 15 million members of the Ismaili Muslim community met with President Daniel Arap Moi of Kenya on Tuesday at the start of an eight-day visit.

Bonn Keeps Same Policy On Pipeline

Companies Can Fulfill Contracts With Russia

By John Tagliabue

New York Times Service

BONN — Senior officials of the new Christian Democratic government of Chancellor Helmut Kohl have indicated that they would do nothing to hinder companies from fulfilling contracts for the new Soviet natural gas pipeline.

A Foreign Ministry official said Monday that Foreign Minister Hans-Dietrich Genscher, who held the same post in the Social Democratic government of Chancellor Helmut Schmidt, would tell Secretary of State George P. Shultz at a meeting Tuesday in New York that the new Bonn government did not intend to alter the policy on Soviet trade.

Mr. Kohl seemed to reinforce that view Monday at his first news conference since succeeding Mr. Schmidt as a result of a vote in the Bundestag on Friday.

The new chancellor said that West Germany's ties with the United States meant "friendship and partnership, and not dependency."

In what was widely viewed as an allusion to the U.S. insistence that West Europeans abandon the pipeline project while American grain sales to the Soviet Union continued, Mr. Kohl said that in government-to-government ties, as in relations among people, "one should not demand of the other what one would not like to have demanded of oneself."

In a statement of policy on relations with the Soviet bloc, Mr. Kohl said West Germany would be a reliable partner in relations with the Eastern countries.

The remarks came less than a week after AEG-Kanis, a subsidiary of AEG-Telefunken, the electrical products company, delivered the first two of 47 pipeline turbines that it had contracted to make for the Soviet Union. The U.S. Department of Commerce has said that it will impose sanctions on the company similar to those imposed on Dresser-France, and John Brown of Britain, two other pipeline contractors.

The West German Foreign Ministry official said that Mr. Genscher would reiterate the position that U.S. sanctions against European companies that disregard the embargo against supplying pipeline equipment built with American parts and technology were "politically inappropriate, and objectionable under international law."

Mr. Genscher, one of four Free Democrats whose resignation from the Schmidt cabinet touched off the change in governments, was sworn in Monday as foreign minister.

Greeks Report Seizure Of Shipload of Heroin

The Associated Press

ATHENS — A Greek destroyer intercepted a ship allegedly loaded with two tons of heroin off the southern coast Tuesday and escorted it to Kalamata, the police here said.

A police spokesman said the destroyer Locini caught up with the Red Sea, a small Panamanian-registered freighter, after a three-day chase by helicopters, the coast guard and the navy. He said the ship's crew of six was under arrest. No other details were immediately released.



Britain's prime minister, Margaret Thatcher, and the chairman of the Conservative Party, Cecil Parkinson, as the 99th annual conference of the party got under way in Brighton on Tuesday.

Tory Party Rejects Labor Demand For British Nuclear Disarmament

United Press International

BRIGHTON, England — Prime Minister Margaret Thatcher's Conservative Party overwhelmingly rejected Tuesday the opposition Labor Party's demand for unilateral nuclear disarmament by Britain.

In a resolution carried virtually without opposition, 2,000 delegates to the party's annual convention pledged support for "a balanced force of conventional arms and nuclear deterrent."

It said this is necessary "if peace between the superpowers and our own national security are to be maintained for as long as possible."

The Labor Party at its convention at Blackpool last week voted by a two-thirds majority for unilateral nuclear disarmament and to expel U.S. nuclear bases and weapons from Britain.

Defense Secretary John Nott told fellow Conservatives: "The decision of the Labor conference and the dithering of the Liberals on nuclear weapons is not just a

reputation of our defenses but a selfish, emotional, destructive blow against disarmament."

Mr. Nott, who said recently he will quit politics after the next national parliamentary elections expected in a year to 18 months, won a standing ovation in which Mrs. Thatcher joined after shaking his hand warmly.

"While we remain a nuclear power, we shall have an influence over the disarmament process," Mr. Nott said. "The Labor movement has now set back the whole disarmament process."

Mr. Nott argued that Britain's independent nuclear deterrent "is a guarantee that no other country, however strong, will use nuclear weapons to blackmail the British people into surrender."

He said if Britain had no nuclear weapons, such a threat would force it to turn to the United States or France for help.

"Is that what the British people want — to be dependent on another

country for its survival?" he asked.

Arguing that the recent conflict with Argentina over the Falkland Islands showed that Britain needed strong conventional forces too, Mr. Nott said the government spent £14 billion (\$23.8 billion) on its military forces last year and plans to spend more next year.

Mrs. Thatcher listened to the opening sessions of the convention cheered by a public opinion poll in the London Daily Express which gave her Conservatives 42 percent support of the country's voters compared with 30 percent for Labor and 27 percent for the Liberal-Social Democratic alliance.

British commentators said it is virtually unheard of for a British government in its fourth year in office to be so far ahead of the opposition in opinion polls.

Mrs. Thatcher was scheduled to address the convention's closing session Friday.

Mysteries Surround Reports of a Landing On Coast of Albania

By Colin McIntyre

Reuters

VIENNA — The mystery surrounding Albania, Europe's most secretive country, has been intensified by reports of an abortive landing on its coast by a group of armed émigrés.

The Interior Ministry announced last week in Tirana, the capital, that heavily armed "runaway Albanian criminals" equipped with a radio transmitter had landed at night the previous weekend on a stretch of coast that the ministry did not identify.

The group, discovered early the next morning, was "totally liquidated" by soldiers, security forces and local residents, the ministry said.

A day after the announcement, the exiled claimant to the Albanian throne was quoted as saying in Paris that his followers, commanded from a royalist National Liberation Army, had staged the landing.

Prince Leka, 43, son of the late King Zog, told a French newspaper that he had been against the operation because it seemed suicidal.

His view was shared by Albania watchers, who rated as minuscule the chances of such an invasion passing undetected for long in one of the world's most closed societies.

Since its break with China in 1978 — which, like an earlier rupture with Moscow, came about over deep ideological differences — Albania has stood alone, claiming to be the world's only pure communist state.

The country is closed to all but a trickle of visitors, mainly businessmen and political activists pursuing Tirana's ultraradical, Stalinist brand of communism, which went out elsewhere in the East bloc in the 1950s.

Some experts on Albania are skeptical about the extent of Prince Leka's involvement, if any, in the landing, and over his subsequent claim that royalist guerrillas had been carrying out attacks in Albania.

In 1976, Prince Leka claimed that an anti-communist unit was operating in central and southern Albania. Diplomats in Belgrade watching events across the border said they were unaware of any such activity.

Albania experts said a number of émigré organizations were active in Western countries as lobbyists, but the experts said they doubted whether any operated in

side the country. One specialist speculated that the latest operation may have been an attempt by disaffected émigré groups to set up some sort of contact with the Albanian people.

Albanian diplomats in Vienna dismissed as absurd Prince Leka's claims that royalist forces were operating in Albania. "He doesn't know, or for the Albanian people," one said, "the is just dreaming old dreams that can never be realized."

Prince Leka was taken out of Albania by his parents a few days after his birth in 1939, when Italian troops invaded. His father, Albania's first king, was deposed in 1946 and died in exile in France in 1961.

After declaring himself pretender to the throne, Prince Leka first in Madrid until his heavily guarded estate and castle of western Spain came an embarrassment to the government, and he was asked to leave in 1979. He now lives in South Africa with his Australian-born wife, Susan.

One observer said both sides appeared to be trying to obtain publicity from the invasion attempt. For Prince Leka and other exiles, it provided an opportunity to show that they were still active. For Tirana, it was a justification of warnings to the people against hostile forces and calls for increased vigilance.

The landing came only 10 days after a major speech by a top Albanian Communist official, Ramiz Alia, who spoke of internal forces linked to "external, imperialist-revisionist enemies."

It was not clear to which internal enemies he was referring. The last major purges in Albania took place between 1973 and 1975 when eight top officials were accused of trying to topple the government.

The purges, which also affected thousands of lower-level officials, were seen as indications of disagreement between the old guard around the party leader, Enver Hoxha, and others seeking some loosening of the regime's isolationist policies.

There was speculation of nine top-level disgruntled officials' death in December of Prime Minister Mehmet Shehu, officially reported as suicide. But though interior Minister Feor Shkufte, believed to be a relative of the prime minister, was dismissed, and Mehmet Shehu's widow, Fiqre, disappeared from public life, there was no evidence that major new purges were taking place.

Economic Policy of '70s Still Haunts Romania

By Brendan Murphy

International Herald Tribune

BUCHAREST — One measure of the hard times in Romania is that Kent cigarettes remain an alternative — sometimes preferred — unit of exchange for many everyday transactions.

Sources in Bucharest say, for instance, that some doctors still are reluctant to schedule appointments unless they are assured they will be paid in Kents rather than the Romanian currency. And Kents work when it comes to bribing someone to obtain a favor or scarce commodities such as meat and railroad tickets — a common practice in Romania.

This practice is just one reflection of the difficult economic conditions prevailing in Romania. Many staple foods such as meat, sugar, coffee, tea, cooking oil, and flour are rationed or simply not available.

When frozen meat was offered for sale recently at a store in the

center of Bucharest, the line of customers stretched for a block. Another day at 6:30 A.M., dozens of residents lined up to buy fresh milk.

And while bread seems in adequate supply in the capital, the Bucharest sources said they had heard reports of breadless days in provincial areas.

A Western diplomat in Bucharest said the food shortages are almost certainly linked to the country's central economic problem: the price of exports, estimated at \$11 billion to \$13 billion.

To ease foreign currency payments to Western creditors and foreign suppliers, Romania has moved to increase its exports. Some believe this program has been carried out at the expense of domestic supplies. "That's why there are all these lines around here," the Western diplomat said.

There are some bright spots in the economic picture. Romania's \$8 billion of Romania's debt falls due for payment this year, but the country's principal creditors have begun to reschedule repayment of the loans over a period of six and a half years, as Romania has requested.

Also, the International Monetary Fund restored a \$12-billion standby credit in June that it had suspended in December when Romania breached conditions attached to the loan. Since the suspension, Romania has been following IMF guidelines to reduce its trade deficit, particularly in the areas of government subsidies for energy and food consumption.

The prices of fuel and foodstuffs were raised sharply this year, and in the summer the government stepped up a campaign for "scientific nutrition," in which citizens were urged to consume food only according to their minimum caloric requirements.

This, said the Romanian Communist Party daily Scinteia, was in the interest of the "material and spiritual well-being of the workers," that they "avoid illnesses associated with overeating."

Romania's financial plight stems from the combination of a credit industrialization program financed with Western credits and the depletion of the country's domestic oil reserves just as prices on the world market rose steeply in the 1970s.

Romania had invested heavily in the creation of a petrochemical industry, and the import of its essential raw material financed by short-term loans quickly put the country into deep debt.

At the same time, Western markets feeling the effect of the global recession were shrinking, limiting Romania's ability to export enough to earn the foreign currency needed to pay its debts.

All this could spell increasing political problems for the Romanian leadership headed by President Nicolae Ceausescu.

Loures Panel Is Unable to Explain A Woman's Recovery From Cancer

The Associated Press

LOURDES, France — The International Medical Committee of Lourdes has ruled that a Sicilian woman's recovery from terminal bone cancer defies all known medical explanations, the Roman Catholic Lourdes Foundation said Monday.

The woman, Delizia Crolli, 18, was pronounced cured following pilgrimages to the shrine of St. Bernadette at Lourdes that she undertook as a last resort after doctors recommended amputating her right leg.

The International Medical Committee, comprising 16 lay doctors from six countries, investigates claims of miraculous cures at the shrine for the Roman Catholic Church. The committee's ruling opens the way for the church to designate the recovery as an official miracle.

Delizia Crolli was 11 when doctors in Catania, Sicily, near her native village of Paderno, diagnosed a cancerous tumor centered in her right tibia, the thick inner bone between the knee and the ankle, the International Committee reported. The cancer continued to spread despite radiation therapy, and doctors finally urged amputating her right leg as the only hope.

But her mother refused, and instead accompanied her on six successive pilgrimages to the shrine of St. Bernadette near Lourdes. Subsequently, doctors in Catania determined that the cancer was in remission. Later, the doctors reported, the tumor vanished completely.

Since the beginning of the century, the church has recognized 64 recoveries as due to the healing powers of St. Bernadette's shrine. Each year millions of pilgrims are drawn to Lourdes by their faith in the miraculous cures attributed to the waters of the shrine. Several thousand claims of miracles have been refused official recognition since 1900.

THE ART OF DOING BUSINESS IN NEW YORK



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THE FRENCH ART OF FINE LIVING THROUGHOUT THE WORLD.

Leroy Grumman, Who Founded Aircraft Corporation, Dies at 87

New York Times Service

NEW YORK — Leroy R. Grumman, 87, who founded an aircraft-repair company in a little Long Island garage and guided it as it grew into one of the largest defense contractors in the United States, died Monday at North Shore University Hospital in Manhasset, New York.

A stoop-shouldered man who worked in his shirt sleeves and was rarely seen without a pipe, Mr. Grumman let others do the talking and focused on designing planes that were so reliable that Vice Admiral John McCain said during World War II that "the name Grumman on a plane or a part is like sterling on silver."

Not long before the end of the war, Mr. Grumman caught a cold that developed into pneumonia. A doctor, unaware that Mr. Grumman was violently allergic to penicillin, gave him a shot of the new wonder drug. The reaction was so severe that he lost his sight, and he relinquished the presidency of the company in 1946.

He remained chairman of the board for the next 20 years, as the company moved into the jet age and then the space age. When he announced his retirement in 1966, the company was building the lunar excursion module that was to ferry astronauts to the moon.

In 1968, he was awarded the first Hunsacker Medal from the National Academy of Sciences for his contributions to aeronautical engineering.

The fighter planes that Mr. Grumman designed during World War II were revered by pilots and were reported to have shot down

more than 60 percent of the enemy aircraft destroyed in the Pacific.

During the war the company built more airplanes in a single month than any other American company — 664 in March 1945. The company never made fewer than 65 percent of the fighters and 98 percent of the navy's torpedo-bombers.

From its early years, the company's principal asset has been its military business, particularly its close relationship with the navy. That relationship was forged by Mr. Grumman in the 1930s, when his designs won contract after contract as aviation was just coming into its own.

From the 16 planes on the first payroll in 1929, the company's work force has grown to more than 20,000. Last year, the company — now the Grumman Aerospace Corp. — reported sales of \$1.95 billion, up from \$1.75 billion in 1980. Grumman ranked ninth on the Defense Department's list of top contractors by dollar volume.

Vivian Merchant

LONDON (AP) — Vivian Merchant, 53, former wife of Harold Pinter, whose plays made her a star, has died at her London home, her family announced Monday night.

Relatives said she had been ill for some time, but they gave no cause of death.

Miss Merchant, born Ada Thompson in Manchester, married Mr. Pinter in 1956 when both were struggling actors with provincial stock companies. They were divorced in 1980, when Mr. Pinter

married Lady Antonia Fraser, a writer and socialite.

Miss Merchant achieved national fame in the early 1960s playing the female leads in Mr. Pinter's dark, enigmatic plays, "The Room," "The Homecoming," "The Lover" and "Tea Party."

She made her stage debut in 1947, when she was 14, playing a little girl in a provincial production of Jane Eyre. Later her silken, dark sexuality and subtle emotional power made her Mr. Pinter's ideal interpreter.

The Daily Telegraph's John Barber noted: "Miss Merchant had a way of crossing her legs, or turning on her high heels, or murmuring a tantalizing insult in her deep voice, that conveyed a latent and threatening sexuality unique on the stage."

But, noted Michael Billington, theater critic of The Guardian, "her range... encompassed the classics and some memorable displays of sexual remoteness in many British movies."

Among her movie credits were "Alfie" with Michael Caine in 1966, for which she was nominated for an Academy Award; "Accident" in 1967, and Alfred Hitchcock's "Frenzy" in 1972.

Stephanos Stephanopoulos
ATHENS (AP) — Stephanos Stephanopoulos, 83, who served as prime minister of Greece for 17 months in 1965 and 1966, died Monday of a lung ailment, his family said Tuesday.

After studying law and economics in Athens and Paris, he entered politics in 1930 as a deputy for the



Leroy R. Grumman

Popular Party. He joined the cabinet as finance minister in 1935.

Other deaths:

John G. Forrest, 84, the financial-business editor of The New York Times when he retired in 1963, Monday in Scottsdale, Arizona.

Rashid Masin, 55, the first secretary of the Communist Party in the Soviet Union's Tatar Republic, Saturday.

Lorenzo Fernandez, 64, a founder of Venezuela's governing Social Christian Party and a former interior minister, Monday in Caracas.

Jerome King Crowell, 75, who once wrote a syndicated newspaper column of prognostications on topics ranging from Hollywood to finance and politics, Monday in Burbank, California.

Kunwar Indrajit Singh, 77, Nepal's prime minister for four months in 1957, Monday in Bangkok, of cancer.

INSIGHTS

Herman Kahn and the Business of Thinking

Research Director Facing the Future and Seeking to Recruit 'More Stars Like Haig'

By William E. Geist

New York Times Service

CROTON-ON-HUDSON, N.Y. — "The practical application of nonconventional financing options to the embryonic synthetic fuels industry."

Why, Herman Kahn was thinking about that just the other day.

He was also thinking about the tactics of manned bombers in conventional warfare, legalized gambling, Brazil in the 21st century, the United States Postal Service, the use of low dams in Colombia, world food prospects and "disrupting" nuclear strikes.

Then he broke for lunch in the business of thinking, and a fine line of work it is for someone with an unusually high intelligence quotient. Mr. Kahn is the iconoclastic dean of American futurists, a man of monumental intellect and girth, adviser of kings and presidents and author of books that always seem to vex more conventional-thinking experts.

Asked a question on most any subject, the bearded, bespectacled sage can gush forth volumes in a single breath, his ordinary human voice box obviously an annoying impediment.

Still, most people thought it a bit odd when he went off to the woods here in Westchester County in 1961 to open his own little thought shop, the Hudson Institute.

Today, however, the institute that Mr.

Kahn directs stands as one of the most eminent of what have come to be known as "think tanks."

The institute has offices in Tokyo, Montreal, Phoenix and Washington, and soon will have another in Geneva.

Its staff here has grown to 75 full-time members, including lawyers, engineers, physicists, economists, mathematicians, demographers, anthropologists, historians, journalists and all-purpose experts.

The latest to join the institute, after turning down many offers from universities, corporations, foundations, and other think tanks, is former Secretary of State Alexander M. Haig Jr., a longtime friend of Mr. Kahn.

Mr. Haig said that, as a senior fellow, he would be working on a "number of economic, security and political studies."

He was speaking from the institute's Washington office, which was opened in August after he announced that he was joining the institute.

"I will give speeches under the auspices of the institute," Mr. Haig said, "and I will work on establishment of a Center for National Security and International Order, an institute project that will be a framework for future-oriented public policy studies."

Mr. Kahn described Mr. Haig's joining the institute as "a coup" in terms of prestige and attracting business.

"He is a genuine scholar," Mr. Kahn said of Mr. Haig, "and has unbelievable experi-

ence in the fields we work in, from the military to the White House to the State Department."

The institute did about \$4 million worth of thinking last year for clients that included a myriad of federal agencies and departments, foreign governments and many of the world's largest corporations.

For the Department of Defense, the institute is now thinking about how to win a war in El Salvador; for the United States Chamber of Commerce, alternatives to the federal income tax; for the government of Austria, that country's future.

It is also starting a pilot project in several school districts to "redress the imbalance of unrelenting negativism" being taught about the future of the world.

"We draw scenarios and try to cope with history before it happens," said Mr. Kahn. The institute comprises a seven-building campus on 40 acres down narrow, winding country roads about an hour north of New York City.

Like those remote hilltops favored by the swarms of the East, it is "a good place to think," in the words of a staff member. "There's nothing else to do out here. We have been called 'Herman's Hermitage.'"

The main building is an old stone Tudor-style structure, a former sanatorium for well-to-do alcoholics that now houses most of the offices, a library, meeting rooms and a cafeteria, where such terms as "geothermal mag-

ma hot dry rock liquid dominated dry steam" are heard in the same breath with "pass the salt."

Visitors to the institute are met by a woman who pleasantly asks them to sign in and reveal their citizenship.

Up a heavy dark wood staircase, down a quiet hallway, behind a closed door, Kurt Guthe sits at a desk in a small unadorned room reading a book on Korean War tactics by the Joint Chiefs of Staff.

As part of the institute's National Security Studies Group, Mr. Guthe, 27, is working on a study for Rockwell International Corp. about strategies and tactics of manned bombers.

Mr. Guthe said that he had become interested in such matters at Harvard, where he did an honors thesis titled "The Implication of Counterintelligence Targeting for Strategic Force Posture."

"People get the idea," said Mr. Guthe, "that those who do this are warped, misanthropic or 'Strangelovian.' But we believe that we are helping to prevent war."

Next to Mr. Kahn's office is what is said to be his "real office" — a room that befits the image of an intellectual, with its thousands of books that appear to have been arranged by a group of terrorists.

Mr. Kahn said that, with the recruitment of Mr. Haig, he was trying to "institutionalize" the institute. "We want to attract more



Herman Kahn, who has been called the iconoclastic dean of U.S. futurists.

stars like Mr. Haig," he said, "people of great stature, to make it clear that this is not a one-man show and to insure its continuance after I am gone."

"I will die in the year 2001 and not before," said the 60-year-old author of "The Next 200 Years" and other works on the future. "I would be very, very annoyed if I go before then. I want to see how it all turns out."

Correspondents Provide an Outlet for the Desperate, and the Daffy, of Moscow

By John F. Burns

New York Times Service

MOSCOW — "Hello, hello," the voice says, an urgent note detectable over the static that is a regular accompaniment of telephone calls in Moscow.

Establishing that he has reached a Western correspondent, the caller surges on. "I like to meet you, please," he says. "We must talk."

So begins another of the furtive encounters that are part of the routine for Western report-

ers here. Several times a week calls come in from Soviet citizens who have a story to tell about official injustice, high-handedness or corruption. The caller or his family is usually the victim in the tale, and contact with a foreign reporter apparently constitutes a last hope for help.

In a little over a year, one reporter has talked to 20 or 30 people with hard-luck stories. Among them was an evangelical Christian from a small town outside Moscow who had been in and out of jail for years because of his

efforts to proselytize. Others were doctors, scientists and musicians who lost their jobs after applying to emigrate.

The callers have cause to be nervous. They must assume that they are talking surreptitiously into the tape recorders of the Soviet secret police, the KGB. Callers have been seized on the street before their Western contacts arrived for a meeting, and some have ended up in labor camps.

In most cases the penalties appear to be less severe. In what are regarded as trivial com-

plaints, the caller's name may only be posted in the files, or he or she may be summoned to KGB headquarters for a gentle warning.

Every encounter, however, takes place in an atmosphere of threat. The provision of the criminal code dealing with anti-Soviet agitation is broad enough to encompass the case of anyone who takes complaints against officialdom to the Western press.

For the reporter, too, there are risks. While anonymous callers can open a window on a closed society, every call is a potential trap, since the KGB makes a practice of slipping in "rings" among those with genuine complaints.

Many callers assume that a Western correspondent comes to Moscow to fight for Western ideals and to enlist in human rights struggles. It is difficult to persuade a Russian that this is not part of a correspondent's job. In addition, hope can turn to bitterness when a correspondent explains that he is sympathetic, but that the story told him is not news or reveals nothing particularly significant about the country.

There are also those among the callers who at the least appear to have hyperactive imaginations. There was one man who insisted that the KGB was busy translating his apartment and placing agents all around him.

Other cases are harder to sort out. A few months ago this correspondent was pursued down the street outside his apartment building by a man with trench-coat collar turned up against the wind, dark glasses and a snap-brim hat. When the man followed him into a dimly lit underpass, it seemed like time to shoo him away. His reply was stunning.

"Would you like to know about Wallen-

berg?" he asked, glancing nervously down the tunnel.

Raoul Wallenberg was a Swedish diplomat who disappeared into Soviet custody during World War II after arranging safe passage out of Nazi-occupied Budapest for thousands of Hungarian Jews. Today he is widely presumed to be dead, but reports continue to surface

station the next day, at which time another correspondent for The New York Times could be present. The Russian agreed, and the next morning he slipped out from behind a pillar at the station carrying something wrapped inside a copy of the government newspaper Izvestia.

The man agreed to go for a drive, but soon asked to be let out at a busy subway station.

Every encounter takes place in an atmosphere of threat. The provision of the criminal code dealing with anti-Soviet agitation is broad enough to encompass the case of anyone who takes complaints against officialdom to the Western press. For the reporter, too, there are risks. Every call is a potential trap.

from people who say they have seen him alive in Soviet prisons.

The informant hurriedly explained that he worked for a section of the Soviet Ministry of Internal Affairs that supervised mental hospitals and that he had met an inmate in one institution who said he was Mr. Wallenberg. The man in the hospital, the speaker said, spoke Swedish and was listed as 70 years old, which would be the missing diplomat's age.

The man in the tunnel offered an envelope that, he said, contained hospital records and fingerprints of the hospital inmate.

Since Robert Toth, a reporter for the Los Angeles Times, was arrested on a Moscow street some years ago after accepting an envelope from a Soviet citizen, the man in the tunnel was invited to a rendezvous in a railway

He leaped out, leaving behind the newspaper and, inside, a wad of handwritten 2-by-4 cards, all virtually unreadable. There were no hospital records or fingerprints.

Encounters with callers are generally arranged at regular meeting spots like the Puppet Theater in central Moscow or Pushkin Square, and the cloak-and-dagger atmosphere sometimes generates farce.

An American correspondent who ventured out to the Puppet Theater on a miserable, windy night two winters ago paced up and down looking for a caller in the murk. After a long wait, a man answering the caller's description loomed out of the night in a heavy coat. The American reached out his hand only to find himself greeting an American colleague out on a similar errand.

4 Poles Who Crossed Atlantic in Yacht Find U.S. a Kindly but Lonely Landfall

New York Times Service

NEW YORK — They were four men who had barely known each other who had been sent to retrieve a yacht abandoned in Athens when martial law was imposed in Poland. One by one, they decided not to go home.

Instead, they sailed across the Atlantic in a boat usually manned by a crew of seven and docked in a port they had never seen, all on the strength of the telephone number of some friends who might be able to help them get started in the United States.

When they landed they were jailed. But six days later, they were granted asylum and freed to find homes and jobs and a new life.

It sounds like the story of a daring escape with a happy ending. And so it is, in some ways. But what emerges from the account given by Janek Neczak-Hruzewicz, the only one of the four who speaks English fluently, is also a story of agonizing decision, of men who have left behind families, lost their jobs and perhaps their professions, men who are a bit frightened and very lonely.

"We are upset all the time," Mr. Neczak-Hruzewicz said Saturday night as he sat in a small bar here. Beside him was a brown paper bag full of sausage and other meat that someone had given him to take home.

"This is not four tough guys having an adventure," he said. "The youngest one of us is 34. At that age you have usually reached a plateau in your life, in your family life and your professional life. There are settled things. Now there are none."

Mr. Neczak-Hruzewicz, a soft-spoken man who taught chemistry in Poland, has found work repairing roofs at a wage of \$6 an hour. He has never done that kind of work but he says that he is adept with his hands and he is grateful for the job.

"It was the best offer I got," he said. "A refugee cannot expect to have what he left behind. I would like to find work in what I feel I am most efficient at but this may not happen. I would be happy to get work as a bench chemist."

After a pause, he added: "Money is most important because I cannot bring my family

here until there is money for us to live. We came to America because America is easier to bring your family to. All of us want to bring our families."

All four men are married and have children, and all have exchanged letters with their families, though they are reluctant to talk about them. They fear that publicity, though it may help get them jobs, will make it more difficult for their families.

"It cannot be hard to understand that I do not want my sons to pay for this," Mr. Neczak-Hruzewicz said. "They are children and feel left behind."

"I would really like to be in Poland, but this did not seem possible. If my family cannot come in a few years, perhaps I will go back and spend a few years in prison and then see them again."

Two of the men — Stanley Kozak, 38, and Andrzej Bienkowski, 34 — have been sharing a friend's living-room floor. Mr. Neczak-Hruzewicz, 38, and Andrzej Plewik, 37, the ship's captain, are staying with another friend. The \$500 they each started out with has been spent.

Like Mr. Neczak-Hruzewicz, Mr. Plewik, also a chemist, has found work repairing roofs. Mr. Kozak, a waiter, is doing ironwork in a shop. Mr. Bienkowski, who was an electrician, is still looking for work.

The men, all members of the same Lublin yacht club, were only acquaintances when they were chosen to retrieve the boat. A fifth man was also on the trip but later returned to Poland.

The five men flew from Lublin to Athens in April where they spent two weeks repairing the boat. At first they sailed as if returning home, stopping in Malta, Italy, Tunisia and Algeria. The trip was supposed to be a vacation, and the men did not discuss whether they would go back to Poland.

"One day someone said, 'I'm not going back,'" Mr. Janek said. "Then a few days later someone else announced that they would not go back. It was like that. We did not argue. Deciding to leave is a sort of desperate move."

It changes all your life, everything. You are not going to discuss it or give anyone advice. No one can help you."

Mr. Neczak-Hruzewicz said that he had been a professor of chemistry at the Maria Curie-Skłodowska University in Lublin and had been the head of the Solidarity independent union at the Institute of Chemistry. It seemed inevitable to him that he would be jailed had he remained in Poland. The others were also members of Solidarity, but Mr. Neczak-Hruzewicz would not elaborate.

It was while they were docked in Marseilles that they decided to sail the 38-foot (11½-meter) schooner to Elizabeth, New Jersey. The fifth man returned to Poland.

Mr. Neczak-Hruzewicz said he was not worried about the Polish authorities catching up with them — "What are they going to do, send out a cruiser?"

Crossing the Atlantic, Mr. Neczak-Hruzewicz said, was uneventful and not terribly frightening. "We did what we had to do. We are all almost professional sailors. If you asked a bus driver if a trip was dangerous, certainly there would be moments when he was in danger but he is a bus driver and he knows what to do."

Using maps and charts they had bought in Gibraltar, the men arrived at a small recreational pier in Elizabeth at about 7:30 A.M. on Sept. 16 hoping to call their friends nearby and then decide what to do. But the friends were not home and, meanwhile, a small crowd formed. Two police officers, who had parked nearby to fill out a theft report, came over to investigate and called immigration authorities.

The men spent six days in the Brooklyn Detention Center that Mr. Neczak-Hruzewicz called "an experience and a lesson in history, politics, whatever."

The beer that Mr. Neczak-Hruzewicz drank at the bar was free. Once someone handed him a rolled-up bill. He accepted the money and squeezed the donor's hand for a few moments.

"It's really great to feel people around who want to help," he said. "It doesn't come in dollars as much as in simple moves to help a friend. We will have to work hard to repay this."



Officials searched boat at Governor's Island in New York Harbor that four Poles used to sail across the Atlantic earlier this year.

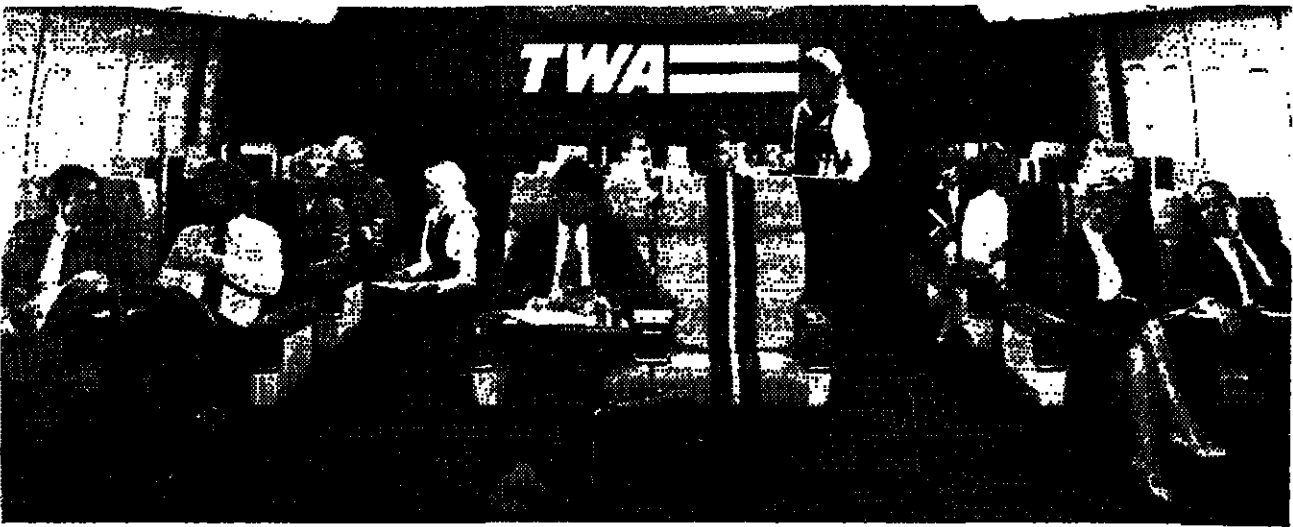
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Ominous Budget News...

In February 1981, less than a month into his presidency, Ronald Reagan gave Congress his first budget proposal, which was for the fiscal year just ended. He vowed to break the growth of spending, slash taxes and shrink the deficit.

When the books were closed last week, they showed that in those terms fiscal 1982 was a disaster. The final accounting will show about \$730 billion of spending — up \$35 billion from Mr. Reagan's original plan. The revenue total will be close to \$620 billion — \$30 billion less than he had projected. And the bottom-line deficit was \$110 billion, more than double the president's original forecast.

More than anything, these numbers reveal the impact of the recession. The first Reagan fiscal year ended so deeply in the red because of economic conditions, which in some measure can be blamed on the administration's policies and miscalculations. From the start, Mr. Reagan's assumptions for economic growth were too optimistic and his revenue assumptions were inflated. Nor did his administration properly anticipate the effects of tight monetary policy, which increased the interest cost on federal borrowings and has been a major factor in the length and depth of the recession.

High unemployment raised the cost of unemployment compensation and, along with weak profits, bit heavily into tax collections. Perversely, the revenue estimates were also

inflated by a failure to anticipate how quickly Reaganomics would bring inflation down from double-digit heights.

The more interesting, and ominous, point is that the fiscal 1982 figures do not reflect the administration's dramatic shift in public priorities. Despite all the furor over the defense buildup, military spending in fiscal 1982 was only \$3 billion higher than in Jimmy Carter's budget for the same period, as proposed a few days before his term ended. The big Reagan increases are on the way, but only in recent months have they begun to show up in budget figures.

The effect of the multibillion-dollar Reagan tax cut was also relatively small in fiscal 1982. Tax rate reductions did not affect the government's income nearly as much as the recession did.

Depressing as the figures on Mr. Reagan's first fiscal year may be, we have not seen anything yet. Those built-in commitments on tax cuts and military spending will show up big in next year's figures. Given the prospect of slow economic growth, they point to an even bigger deficit, bigger budget battles and more jitters in financial markets.

The country could have avoided this dismal swamp if the new president had been more realistic about the economy and the effects of his policies. He owes the nation — and the world — some realism now.

— THE NEW YORK TIMES

... and Cries of 'Unfair'

Word has apparently reached the White House that some people think the Reagan economic program is unfair. True to bureaucratic reflex, the White House staff has responded with a 75-page briefing book to assist the president and his surrogates in countering this shocking thought.

The counteroffensive has already been evident in the president's recent news conference and speeches. The briefers' statistics, however selective, may be more impressive than the president's rendition of them.

But it appears that the whole enterprise is doomed by the fact that the president's program is not fair, in the sense that its burdens and benefits are very unevenly distributed.

The Reagan program has three major features — tax cuts, budget cuts and increased military spending. The obvious beneficiaries have been defense contractors and those upper-bracket taxpayers for whom tax cuts have far exceeded the offsetting effect of bracket creep. The obvious losers are the poor, especially the working poor, and millions of unemployed and discouraged workers caught up in the current deep recession.

The administration's fairness rebuttal argues that the poor are not really worse off because the Democrats' Great Society programs did not help them anyway; the poor were hurt more by inflation; and the inflation resulted from the big deficits caused by social welfare spending.

It is not a good argument. In the first place, arguing that the billions spent on food, health and welfare programs did not help people is foolish. The poor — many of whom are elderly or disabled persons or children — may still be with us, but they are much less miserable than they have been by historical standards. Of course inflation hurt the poor,

but indexed aid programs cushioned the loss. The big losers from inflation were investors and savers.

As for the link between deficit spending and inflation, one would think that this administration — which is running deficits far larger than did its predecessors — would show a decent hesitancy in pushing that argument. The administration's loose fiscal policy has made it necessary for the Federal Reserve to keep a tight rein on the money supply to keep inflation from spurring upward. And tight money has produced the one economic benefit to which the administration proudly points — lower inflation.

But fighting inflation in this way is very costly in terms of unemployment, more costly, it turns out, each time the trade is made. Inflation is now running around 6 percent, but unemployment is pushing 10 percent. The last time inflation was in this range, in 1976, unemployment was about 7.5 percent. In 1969, with inflation at 6 percent, unemployment was only 3.5 percent. And while lower inflation benefits almost everyone to a degree, the price of unemployment falls heavily on certain people, who naturally wonder why they and their families have been singled out for the dubious honor of making everyone else better off.

If the administration wants to argue about fairness — and the wisdom of that is itself open to dispute — it should admit squarely that there have been winners and losers from its program — and that the two are not generally the same.

It can then argue that this situation should be tolerated for the long-term benefits that it believes will spring from its programs. That would be cleaner — and fairer.

— THE WASHINGTON POST

Other Opinion

Anxiety in Spain

The news of a coup plot, however neatly nipped in the bud, sends a flutter of anxiety into the hearts of all those who wish Spanish democracy prospered. It is still a frail-stemmed flower, though much harder than when first planted in 1977 after the Generalissimo's death.

Yet there is never a dearth of soldiers who would cut it down. This is all the more true because a socialist government may be elected at the end of this month, for the first time since 1936. In the Spanish political memory, 46 years is not so long. But if, this time, a Christian Democrat government of the center-right can be elected without provoking a military counteraction, it will be a great milestone in Spanish history.

— The Times (London)

The army is still seen by superannuated generals and bitter, passed-over colonels not only as a social security system for the sons of the men who marched with Franco to usurp the republic in the '30s, but also as the final arbiter of what is good for Spain. These arrogant and parasitical pensioners take the view that, because democracy has patiently failed to extinguish dissent but, on the contrary, appears to encourage it, the time has come to restore military rule.

The present government's commendable diligence in moving against the alleged plotters makes up for its carelessness in al-

lowing free access to the jailed perpetrators of the last coup attempt. The next government's priorities must include a reform of the military from the top downward.

— The Guardian (London)

The Program in Bonn

It seems — and West Germany's example is not the only one — that the world crisis tends to provoke the overthrow of governing teams much more than of programs.

But by maintaining a similar line to that of Mr. Schmidt, at least militarily, Mr. Kohl's government risks being in greater difficulty than that of his predecessor. The Social Democrats, to be sure, had not succeeded in neutralizing the pacifist and anti-American current of the SPD's left wing, at least, listened closely enough to those voices to channel part of this tendency. The Christian Democrats are not as well equipped to succeed in this.

— Le Monde (Paris)

Lebanese Prospects

The return of the multinational force to Beirut and the pressure on Israel to withdraw are not enough to restore American credibility in the region.

— Al-Ra'i (Amman)

The chances for peace in the Middle East remain remote until there is an area designated for the Palestinians.

— The Financial Post (Toronto)

OCT. 6: FROM OUR PAGES 75 AND 50 YEARS AGO

1907: Roosevelt's Popularity

NEW YORK — President Theodore Roosevelt's visit to Memphis may become the turning point in deciding whether he will run for the presidency in 1908. So marked was the universal expression of esteem, so hearty the expressions of confidence, that Southern politicians predict that if Mr. Roosevelt should run again he probably would carry Tennessee. If anything could make him change his mind it would be a reasonable prospect of carrying some Southern states. The reception given him is significant, as it shows a complete change of sentiment toward him in Tennessee, Kentucky, Missouri, Oklahoma, Louisiana and Arkansas, where welcoming crowds thronged the streets.

1932: Fraud Suspect Vanishes

CHICAGO — Samuel Insull, wanted in Chicago to answer indictments of embezzlement and grand larceny in connection with the collapse of the giant utility companies that he controlled, has apparently vanished from his Paris hotel. Neither his wife, who was in a highly nervous condition, nor hotel employees would say when he planned to return. It could not be learned whether the financier, who raised one of the greatest public utility systems in the United States' history only to see it collapse, would return to Chicago to answer indictments, or instead would fight extradition. Mr. Insull is implicated in the embezzlement of \$56,000 from the Middle West Utilities Corp.

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ARTS/LEISURE

Jonathan Miller Updates 'Rigoletto'

By Henry Pleasants

LONDON — "Rigoletto," updated and transplanted to New York's Little Italy in the 1950s, seemed in prospect to be just another example of fashionable smart-alec producer monkey business with an opera classic. But it has not turned out that way in this new Jonathan Miller production now in repertoire with the English National Opera.

Thanks to Miller's shrewd perception of "Rigoletto" as an opera of character rather than genre, and thanks also to brilliantly evocative sets — drawing on Edward Hopper — by Miller's longtime associates Patrick Robertson and Rosemary Vercoe, one finds oneself easily accepting Rigoletto as a wise-guy bartender, the palace ballroom as a garish Manhattan bar, the Duke of Mantua as "Duke," a libertine

mafioso, and Sparafucile as a waterfront bar owner and hit man.

Under Miller's theater-wise guidance, with ingeniously contrived stage groupings and movements, this "Rigoletto" comes across, curiously and successfully, more as Broadway musical than as Italian opera. All the big numbers are there, and very well sung, but so integrated into the progress of the drama that they do not emerge and stand out on their own as tours-de-force of vocal prowess. Thus one felt the applause that greeted the numbers as intrusive. Verdi would probably have approved. An opera buff, while acknowledging and admiring the intent and the accomplishment, could feel a bit put off by the shift of emphasis from the traditional sequence of show-stoppers.

John Rawnsley's Rigoletto is vocally magnificent, but dramatically a bit too restless and

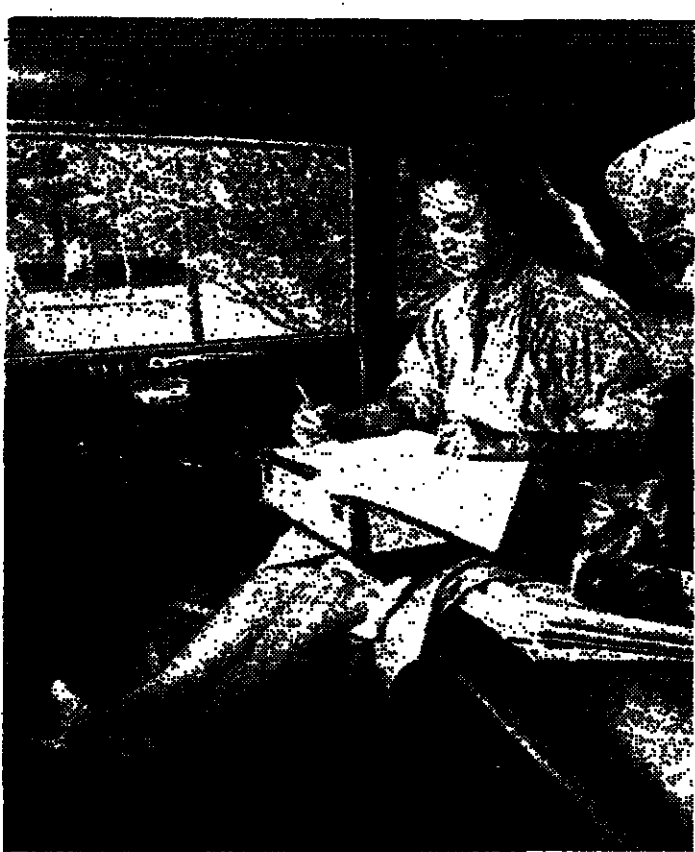
frantic, and his costumes and bearing do not sufficiently emphasize his deformity. A gimp leg is no substitute for a hunched back. Arthur Davies sings well, but plays Duke rather too likably. Marie McLaughlin offers a secure and affecting Gilda, though her voice is not quite pretty enough. John Tomlinson's Sparafucile is an admirably sinister characterization.

Mark Elder, the conductor, paces the score well, and restrains his orchestra in such a way that much of James Fenton's excellent translation comes through. This is a triumph for Miller — who is retiring from the theater to return to the medical profession — and already a solid hit for the English National Opera.

"Rigoletto," Oct. 7, 12, 16, 21, 23, 26 and 29, and continuing in repertoire through November and December.



Lois Wyse (left) devotes weekend mornings to writing at home; Shirley Lord makes notes in cab between appointments.



Combining Writing With Other Full-Time Jobs

By Enid Nemy

NEW YORK — Maybe it isn't true, but it seems as though most of the world could and would write a book, if only they had the time. The problem, according to the thousands who have never managed to translate the perfect story tucked away in their heads into words, is that there just aren't enough hours in the day.

How, they ask, can they manage to write when they have a full-time job, family and social obligations, and when little extras keep cropping up that demand attention? It's impossible, they conclude, and with a sigh of relieved justification, they postpone their epic to the indefinite future.

The fact is that it is not impossible. There are men and women who have careers and family life, cope with the unexpected, and somehow, with it all, write novels that get published. They are not superhuman, and they have not learned to stretch 24 hours into 30, but they do have a secret. They sit down and write.

Most of the men and women who are part-time authors, a group that includes a physician, a doctor, lawyer, beauty expert and advertising executive, spend a good many of their free hours on

research, writing, revising and editing. This means, they all agree, that a prime requisite for their time-consuming second profession is an understanding family.

"Writing fiction is a kind of escape," said Lois Wyse, the president of Wyse Advertising who has written 45 books in 20 years. "If you don't have people in your life who will let you escape when you want to, it's impossible."

One or two of the men and women work at night and at odd intervals during the day, if their schedules allow, and all of them write on weekends. This can mean 3 to 8 or 10 hours each Saturday and Sunday. For some, the work is entertaining and relaxing; for others, it's hard but fulfilling.

"It's not work, it's entertainment for me," said L. Christian Bolling, a professor of physics and a researcher in atomic physics at the University of New Hampshire, whose second novel of espionage and intrigue, "Fourth Shot," will be released by Little, Brown later this year. "I like reading, but when I write, I can make it come out the way I want."

"You can give in to idleness or do something constructive," said Dr. David Shubin, an obstetrician and gynecologist in Smithtown, New York, who often scribbles

away on a yellow legal pad in hospital delivery rooms as he awaits the arrival of patients' babies. His first novel, "The Unborn," came out almost two years ago; his current novel, "The Seeding," has just been published by the Linden Press division of Simon & Schuster.

"The more I do, the more I can do," said Shirley Lord, whose first novel, "Golden Hill," will be published by Crown this month. Lord, who spent almost every weekend for three years researching and writing the book, is director of special projects, beauty and fitness at Vogue, runs a New York apartment and a weekend home, and is out socially an average of four nights a week. While she was writing the book, she had three dinner parties, each for 22 guests, and one party for 90 guests in New York, and four weekends of entertaining at her weekend home.

For Arthur R.G. Solmsen, a Harvard graduate who has practiced corporate and securities law in Philadelphia for almost 30 years, writing fiction is "like watching a movie inside your head — people are talking to you, and you've got to get it down."

Solmsen, whose fifth novel, "A Princess in Berlin," was published by Little, Brown in 1980, does

most of his writing on weekends and during vacation. Occasionally he stays on at his office, after a regular business day, and writes for a few hours.

"Writing isn't very relaxing, but it's very satisfying," said Solmsen, who, despite his schedule, often thinks of himself as undisciplined.

Lois Wyse's books were written during the same period she started an advertising agency in Cleveland with her former husband, committed to New York and raised two children. She now runs the New York office of the agency, which bills \$50 million a year. Earlier this year she married Lee Guber, the producer.

Although she began by writing children's books, she now alternates between poetry and novels about women in business. Her latest novel, "The Granddaughter," dealing with women in real estate, was published last year by St. Martin's Press, and she is in the process of "thinking out" a new novel.

"My business life feeds my fantasy life, and my fantasy life feeds my business life," she said.

As with most of the writers, Wyse carries a little notebook everywhere. It's even carefully placed outside the shower, in case inspiration strikes as the water is running.

Her concentrated work is accomplished on weekends, three hours each day. After reading the newspapers and a leisurely breakfast, she moves into a "room of my own where I can work." "It takes an enormous amount of energy to write, and I can be a clean slate early in the morning," she said.

Bolling, who is married and has two young daughters, started writing as a lark, "and then the lark became serious," he said. It is now sufficiently serious to take up a good many of his weekends, eight hours each Saturday and Sunday when he's writing, and several hours each weekend during the planning and research stage.

Woe betide off-Broadway hits when they venture across the Atlantic; having dismissed "Miss Margaret's Way" at Hamstead despite the remarkable performance of Estelle Parsons, my colleagues have also been putting their knives in Bill C. Davis' "Mass Appeal," which the director Geraldine Fitzgerald has brought to the Lyric Hammersmith after a long New York run. True, this is something rather less than great or original drama; it's the old story of the two priests, the one cozy and avuncular, the other young and rebellious. In Hollywood days it used to be Barry Fitzgerald and Bing Crosby and "Going My Way"; now it's Gordon Jackson and Rupert Everett and no songs, but the theme is much the same.

Jackson, playing the part in a broad Scots accent, which makes nonsense of the play's American setting, is a Catholic priest with a complacent and wealthy flock, all milk hats and blue hair, who don't seem to mind that he drinks a bit and has nothing new to tell them about the Almighty. Everett (who was recently the young Guy Burgess in "Another Country") is about to be expelled from the preaching racket for having had an active sex life. What Davis has done is to splice bits of "Tea and Sympathy" and "Power and the Glory" into a showbiz package that ends up looking like those old television sitcoms about vicarage life. His long American life remains a mystery, since here even the whiskey priest has been watered down to a mere wine.

Gap in SAT Scores Cited in Report

WASHINGTON — In its first comprehensive look at how minority students in the United States perform on the Scholastic Aptitude Test, the College Board said that blacks score on average about 100 points lower than the national norm.

George H. Hanford, the president of the board, said he hopes publication of the test results will stimulate the extent and nature of the educational deficit this nation must overcome.

In a preface to the report, Hanford said the board did not divulge the data by race or ethnic group in previous years. But he said the board now believes that exposing the scores to public scrutiny will better serve minorities.

An Inventive Brecht 'Schweyk'

By Sheridan Morley

LONDON — Richard Eyre's three current productions on the National Theatre's Olivier and Cottesloe stages — "Cyrano de Bergerac," "The Beggar's Opera" and now "Schweyk in the Second World War" — might not appear to have much in common besides a good deal of cross-casting. But it was Kenneth Tynan who pointed out that "Guys and Dolls" was the "Brecht's Opera" of Broadway and Brecht, the jealous of Kurt Weill's success with "September Song," desperately wanted "Schweyk" to be a Broadway musical hit. What Eyre is doing is, in other words, a lot of musical Broadway, and good luck to him.

The notion of a Broadway Brecht does not of course fit easily alongside the doctrinaire theories of a

novel, a title character (wonderfully malevolently played by Bill Patterson) and some songs put over in a cabaret convention by Julia McKenzie. A lot of the original dialect jokes have inevitably been lost somewhere between Czechoslovakia and New York and London, and in the end what we've got is little more than a dutiful disinterment brought to spasmodic life by a cast that was considerably happier with Romya. But at least it makes some sense in the context of their other work, which is more than can really be said for "Schweyk" in the context of other Brecht.

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THE LONDON STAGE

purposely East German socialist theatrical reformer, which is why you will find the idea tacitly avoided in most Brechtian textbooks; but as newly published Brecht correspondence indicates, the original notion was for Brecht and Weill, both exiles in the United States in 1933, to recreate their "Threepenny Opera" partnership with a smash hit musical for New York. Contractual and financial disagreements, prompted not least by Brecht's feeling that Weill (having got to New York before him and enjoyed a couple of hit musicals there) had stolen an unfair lead, meant that Weill fell by the wayside and the "Schweyk" score is by Hanns Eisler. But there are nonetheless moments in both the writing and Eyre's splendidly inventive production when the showbiz origins shine through in neon, not least during Schweyk's eccentrically Chaplinesque dance routine with a larger-than-life Hitler puppet.

Instead of genuinely adapting Hasek's classic novel for the stage, Brecht has been content merely to update the period to World War II and give us family dramatized highlights from some of the chapters. There is thus no play here, merely a leftover comic

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WEDNESDAY, OCTOBER 6, 1982

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BUSINESS BRIEFS

Bendix to Sell Diesel Engine Systems

SOUTHFIELD, Mich. — Cummins Engine Co. has said it will buy the heavy-duty portion of Bendix Corp.'s diesel engine controls operation.

It also said Bendix has licensed Cummins to produce a new electronically controlled fuel injector that is patented by Bendix. Terms of the transaction were not disclosed.

Cummins said its fuel systems engineers have worked with the Bendix diesel engine controls group for the past two years in developing an electronically controlled fuel system. It said the agreement gives Cummins exclusive rights to the Bendix injector system for several types of diesel engines.

KLM to Reduce Work Force by 1985

AMSTERDAM — KLM Royal Dutch Airlines said it intends to reduce its work force to around 18,000 by 1985 from 19,000 at present. Most of the cuts will be made through attrition.

The reduction was announced as part of a series of measures aimed at improving productivity and efficiency to meet anticipated slow growth in air traffic.

Although the company has shown profits in the past three years, its income remains too low to finance necessary investment in coming years, airline officials said.

Kodak Sees Record Disc Deliveries

ROCHESTER, N.Y. — The Eastman Kodak Co. will have delivered eight million disc cameras to dealers around the world by the end of this year, the chairman, Walter A. Fallon, said Tuesday.

He said the figure is twice that of deliveries of Kodak 110 cameras over the first year in 1972, and three times that of first-year deliveries of Instamatic cameras in 1963.

Mr. Fallon also said Kodak is demonstrating at Photokina, an international photography exposition at Cologne, West Germany, a video display unit for the transfer of Kodak disc images to the television screen. In the demonstration, an operator scans a disc negative and selects images which are enlarged or cropped and displayed on a 21-inch (53-centimeter) television screen.

SEC Sues 2 More Santa Fe Officials

SAN FRANCISCO — The Securities and Exchange Commission has filed a civil suit accusing two more divisional officers of Santa Fe International Corp. of securities fraud involving insider trading.

In the third such suit in the past week, the SEC accused James H. Randolph Jr. and Charles Blackard of using non-public information about the company's impending acquisition by Kuwait last fall to generate \$116,000 of illegal profits from trading in Santa Fe call options. Similar accusations were made against two other Santa Fe officials last week.

Mr. Randolph, a vice president of Santa Fe Minerals Inc., a Dallas subsidiary of Santa Fe International of Alhambra, Calif., was accused of using his knowledge of the merger to enable his father-in-law, George Willard Minor, to make \$76,000 in profits. The suit, filed in U.S. District Court here, also accused Mr. Blackard, then manager of planning and analysis at Santa Fe Minerals and now vice president at Santa Fe Windsor, of obtaining \$40,000 in profits.

Bourse Halts Trade of Dunlop Issues

LONDON — Trading in Dunlop S.A. issues was suspended Tuesday at the Paris Bourse, pending an investigation into rumors of a takeover bid. Dunlop Holdings PLC later denied the reports from its headquarters in London.

Dunlop Holdings PLC, which owns 96 percent of Dunlop S.A., also said it had requested the restoration of dealings in Dunlop S.A. shares on the Bourse.

Compiled From Agency Dispatches

Dow Sheds Early Gain; Volume Up

Compiled by Our Staff From Dispatches

NEW YORK — Some late profit-taking caused prices on the New York Stock Exchange to close only slightly higher Tuesday despite strong gains earlier in the day.

The Dow Jones industrial average rose nearly 10 points in morning trading but changed direction in the afternoon and closed with a gain of only 3.58 to 907.19. Advances led declines nine to five as volume swelled to some 75 million shares from 55.65 million Monday.

Chester Pado of G. Tasi & Co. said Tuesday's action was a "normal recovery attempt on the way down." He said the market still needs more corrective action after its sharp gains of August and September and added that even if prices climb to the 920 level on the Dow average, they probably will still come down.

However, analysts said the bull market is far from over, and noted that volume has consistently been stronger when prices are going up rather than falling.

Some analysts suggested that many investors were encouraged by the market's ability to move forward despite a technically overbought condition.

Stocks found some support Tuesday from a decline in the federal funds rate on overnight loans between banks to 10 percent from Tuesday's close of 10 1/4 percent.

Recent increases in the money supply have caused some concern on Wall Street that the Federal Reserve might decide to tighten credit. But many analysts argue that continuing weakness in the economy will keep the Fed from following that course.

There were no clear trading trends and the biggest price moves were recorded by those issues in special situations.

Johnson & Johnson was the most active stock for the fourth session in the row and fell 1 1/4 to 39 1/4. The stock has dropped a total of 6 1/2 points since it was discovered that seven persons died in the Chicago area after taking Extra-Strength Tylenol capsules laced with cyanide.

The company said Tuesday it was notifying retailers nationwide to stop selling Tylenol capsules after some strychnine poison was found in some capsules in an Oroville, Calif., drugstore.

Wall Street Collects From The Bendix Takeover Battle

Investment Bankers' Fees

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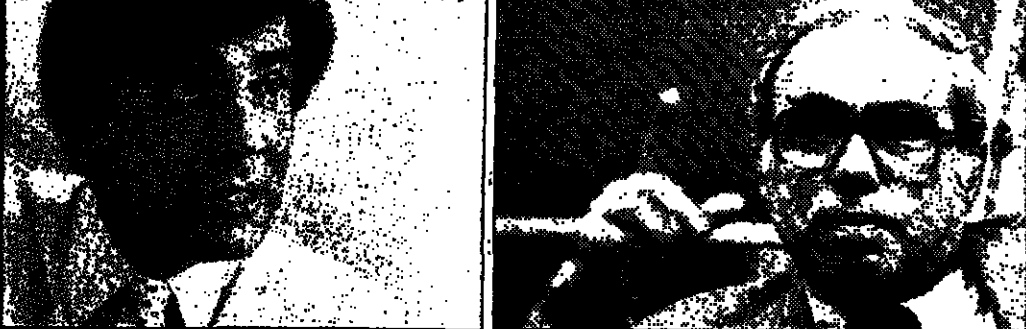
Investment Bankers' Fees

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Investment Bankers' Fees



Investment bankers pictured are, clockwise from top center, Bruce Wasserstein of First Boston, Jay Higgins of Salomon, Felix Rohatyn of Lazard Frères and Martin Siegel of Kidder, Peabody.



The New York Times

Merger Battle Scarred Reputations Of Major U.S. Investment Banks

By Sandra Salmons
New York Times Service

NEW YORK — In the world of mergers and acquisitions, it is conventional wisdom that — whatever the stakes of the companies involved — the investment bankers always win. But the Martin Marietta-Bendix-Alfred-United Technologies takeover wrangle, which has overturned many truisms, may have disproved that one, too.

"The investment banking community has come out badly," said Felix G. Rohatyn, a partner of Lazard Frères, investment bankers to United Technologies Corp.

On Wall Street, major players in the struggle are being described as inept, overreaching or opportunistic. Members of the financial community charge that some of the investment banks, which together earned nearly \$20 million in fees, failed to foresee their opponents' strategy, miscalculated the impact of their own moves and carried on the takeover battle without worrying about casualties.

Salomon Brothers and First Boston Corp. were the bankers for Bendix Corp., and Lehman Brothers Kuhn Loeb represented Alfred Corp. The performance of Kidder, Peabody & Co., which represented Martin Marietta Corp., has also been questioned.

The takeover battle, which began in August with a bid by Bendix for Marietta and took an unexpected turn with counter-offers by Marietta and United

Technologies for Bendix, ended on Sept. 24 with Alfred's agreement to acquire Bendix.

By that time, however, Bendix had acquired 70 percent of Marietta and Marietta owned about 50 percent of Bendix. Following a stock trade, Marietta will remain independent, but Alfred will hold 38 percent of its stock.

Almost from the start, Bendix and Marietta were widely criticized for what was perceived as their headless scramble to try to control each other at the possible risk of their mutual destruction. But members of the financial community, including some of the bankers involved, suggest that the investment bankers were also to blame.

Salomon appears to have emerged with the blackest eye for its handling of Bendix's initial bid for Marietta. After United Technologies matched Marietta's counter-offer, however, Bendix brought in First Boston.

Participants in the negotiations said that William M. Agee, Bendix's chief executive officer, kept Salomon uninformed about critical developments, notably the discussions that Bendix was having with Alfred. Eventually, Salomon was even excluded from Bendix board meetings.

According to some bankers and Bendix directors, Salomon neglected to undertake sufficient analysis before Bendix made its bid for Marietta and thus un-

(Continued on Page 11, Col. 1)

BP Plans to Drop More Than a Third Of Its Tanker Fleet

The Associated Press

LONDON — BP Shipping, the owner of one of Britain's top three merchant fleets, announced Tuesday that it is cutting its tanker fleet by 16 ships, or more than one-third, because of a surplus of world tanker tonnage and gloomy prospects for increased demand.

Three supertankers, four medium crude carriers and nine product carriers will be sold or scrapped by early 1983, said BP Shipping's managing director, Ronald Ilian. The cut will result in a loss of more than 1,300 jobs.

Mr. Ilian said in a statement that the company, a subsidiary of British Petroleum, had to get rid of the ships because of cutbacks in oil consumption resulting from the world recession and conservation measures had created a surplus of tanker tonnage.

A spokesman for Lloyds Shipping said 403 tankers were laid up worldwide in September.

Mr. Ilian's statement said: "Current forecasts indicate that a shipping balance in the oil products trade is unlikely to be reached before 1985 and that a similar position for [supertankers] is a further two to three years away."

Against this gloomy background, which faces the whole of the industry, BP Shipping has decided that action must now be taken urgently to stem further deterioration of our own situation."

After the cuts, BP Shipping's fleet will consist of eight supertankers, four medium crude carriers now under construction in British shipyards and 17 product carriers — totaling about three million deadweight tons.

The National Seamen's Union said it would fight the fleet cuts, which would mean a loss of 265 jobs for its members. The other jobs involved are those of 360 officers, 565 Indian seamen and 116 BP office staffers.

Large Losses Expected
Mr. Ilian said BP Shipping will lose tens of millions of pounds this year despite the reduction of its fleet. Reuters reported from London, BP Shipping's results are consolidated into British Petroleum's accounts.

Mr. Ilian declined to give a more precise figure, but said at the news

conference that the sluggish market, coupled with high layoff costs and other expenses involved in disposing of the ships, meant that the company would not get much financial return from the fleet reduction.

■ Pullout Sought in Australia
In Melbourne, a spokesman for British Petroleum of Australia said Tuesday that BP and Broken Hill Proprietary want to pull out of a planned deep-water petroleum search in the Great Australian Bight off South Australia, Reuters reported.

The BP spokesman said about \$2 million had been spent on seismic surveys since the companies were granted a six-year permit in mid-1980 but the results did not justify any further investment.

OECD Gloomy On Europe Jobs

Reuters

STRAZBOURG, France. — Unemployment in Europe is rising more rapidly than expected and the prospects for reversing the trend are poor, the leader of the 24-nation Organization for Economic Cooperation and Development said Tuesday.

Speaking at the assembly of the Council of Europe, Emile van Lempen, secretary-general of the OECD, ruled out a return to full employment in the near future. He said that investment was dropping, but added that a successful fight against inflation could improve prospects for expansion.

Mr. van Lempen said that recent indicators showed the number of jobless was increasing rapidly. It is likely to exceed 17.5 million unemployed by 1984, he said.

"The basic problem is that the excessive rise in real labor costs... has meant that there has not been enough investment and that such investment as has taken place has been unduly biased towards labor-saving as opposed to job creation," he said.

EC Official Blames Trans-Atlantic Rift on U.S.

The Associated Press

FRANKFURT — A senior European Community official laid the blame Tuesday for the tattered trans-Atlantic relationship largely on the United States.

"It cannot be right for the U.S. on the one hand to export grain to the U.S.S.R. while on the other hand being wrong for Europe to import Soviet natural gas," EEC Agriculture Commissioner Paul Dalsager said.

He also said, in remarks prepared for a meeting of the U.S. Chamber of Commerce and EC farm groups: "One cannot reconcile unrestricted exports of corn gluten feed to the community with barriers to the community's exports of steel into the United States. This is a policy of double standards."

Mr. Dalsager termed dangerous a recent statement by the Reagan administration that "Washington might withdraw from the subsidies code of the General Agreement on Trade and Tariffs."

In Brussels, the External Economic Relations Committee of the European Parliament called on the world's trading nations Tuesday to fight protectionism and to seek ways of protecting the international financial system at a key GATT meeting in Geneva next month.

The committee resolution, which will go to the plenary assembly of the Parliament in November, says the EC Commission should "strive more determinedly for a consensus" on the GATT safeguard clause, which allows nations to stop imports that threaten the survival of specified industries.

The committee also asked for "prompt harmonization of custom tariff statistics in the major trading countries" and called on the EC to "defend the common agricultural policy against the subsidy policy of most of the major exporting countries."

Mr. Dalsager conceded that the United States had become more vulnerable to fluctuations in world trade. "But I cannot accept that the troubles of U.S. agriculture should be laid at the door of the European Community."

He said the fall of U.S. farm prices was not the result of subsidies to EC farmers but of a stagnant world economy, oversupply in the United States and elsewhere, the higher costs of borrowing money, and the strong dollar. Washington has long complained that U.S.

farmers face unfair competition from European farmers whose products are subsidized.

■ Butter Sales to Russia
EC officials said Tuesday that the community is considering resuming subsidized butter sales to the Soviet Union. Reuters reported from Brussels. It said the community Executive Commission was to discuss on Wednesday a plan on resuming the exports.

The officials said Mr. Dalsager put forward the plan, despite opposition in West Germany and Britain, because of the dairy production surplus in EC nations. France also supports the resumption of sales.

Subsidies on sales to Moscow could be lower than those for other countries outside the community, the officials said.

Third World Seeks Easing of Pact on Patents

By Paul Lewis

New York Times Service

PARIS — An international patent conference has opened in Geneva, pitting the Reagan administration against the Third World and some Western allies.

At issue is a proposal that would make it easier for developing countries to confiscate patented inventions and manufacture them themselves.

The four-week UN conference will consider revising the Paris Convention of 1883, which allows patent holders a commercial monopoly for their inventions in the 92 signatory countries, subject to certain conditions.

Third World governments, eager to speed their economic development by gaining easier access to modern technology, want provisions that give them the right to take over and manufacture on an exclusive basis any patented invention if the original patent holder does not produce it in a given country within 30 months of receiving a patent.

The Reagan administration, with backing from U.S. European and Japanese industry, strongly opposes such a change, saying it would give developing countries the right to appropriate inventors' private property.

U.S. officials also argue that the change would enshrine the principle of confiscation in international law. And they say the plan would hurt Third World economic interests by making big companies more secretive about their inventions and reluctant to invest in developing countries that claimed a right to confiscate their patents.

"It's tantamount to expropriation, and it's bad for the development process," said Michael Kidd, head of the international division at the U.S. Office of Patents and Trademarks.

"The revisions to the Paris treaty being considered at the UN conference internationalize the principle of the abrogation of patents," said Barry MacTaggart, chairman and president of the pharmaceutical and chemical company Pfizer International.

Under the Paris Convention, patent holders must publish details of their discoveries in the signatory countries for other scientists to study. But no invention may be copied for profit.

The convention does allow member countries to give patented technology to a rival manufacturer if the original patent holder abuses his monopoly — for example, by neglecting to produce it.

Israel and Canada have used this provision to gain access to technology that the original patent holder refused to develop in those countries, according to officials of the World Intellectual Property Organization, the UN body that administers the Paris Convention.

After five years, a convention

member may confiscate a registered patent altogether.

Countries of the Third World, seeking to acquire as much manufacturing industry as they can, say these safeguards are inadequate because the big companies that hold most patents can use imports to undercut a local manufacturer that is allowed to use their technology. For this reason, they want to be able to award a local producer exclusive manufacturing rights that would entitle them to keep out cheaper imports.

At a conference in Nairobi last fall, West European countries and Japan supported the Third World proposals, leaving the United States isolated in its opposition.

The Europeans and Japanese argued that developing countries could always find ways to grant exclusive manufacturing licenses for a foreign company's patented invention if they wanted to. Defining the conditions under which such exclusive licenses may be granted would give Western inven-

tors more protection, not less, they said.

New Law Should Spur Growth Of U.S. Export Trade Firms

By Clyde H. Farnsworth

WASHINGTON — The trading company, which developed East India and much of North America and spearheaded the recovery of postwar U.S. exports, is expected to be revitalized by the new companies authorized by Congress are not likely to be formed for a while.

The Export Trading Company Act, which Congress passed on Friday and which President Ronald Reagan is expected to sign soon, reduces two obstacles that have kept most U.S. companies from forming trading companies similar to those in Japan and Europe to tap foreign markets.

It lessens the likelihood of an antitrust suit if companies in similar industries band together to sell overseas, and it permits bank holding companies, with their considerable financial strength, to take an equity interest in such ventures.

Many banking experts said they expected regional banks to try to capitalize on the legislation as a means of offering additional financial services to local customers. "It institutionalizes a capital pool that had not existed before," said John M. Bole, chairman of Bole & Company of Foster City, Calif., which was founded as an export trading company in 1979 and which this year is expected to register sales of \$70 million.

At present, it appears unlikely that banks will hurry to set up such ventures. "It will be an evolutionary process," said E. Anthony

Newton, senior vice president of the Philadelphia National Corporation. "I don't expect banks will be suddenly rushing into export trading companies. It's a new activity for bank management, and they'll respond cautiously."

Added Peter M. Nelson, senior vice president of the Bank of America, "We're going to take a very hard look at the legislation and see if we can utilize it."

Even before the legislation, there were some export trading companies already in existence. General Motors, General Electric, Sears Roebuck and some other large companies have subsidiaries that do foreign business.

Some smaller companies, such as Bole & Co., were set up exclusively to import and export. Two of the leading U.S. exporters are actually Japanese trading companies, Mitsui and Matsushita, which are licensed to sell U.S. goods as part of their worldwide activities.

But under terms of the new legislation, an export trading company is defined as any group of companies and banks that joins forces with the specific objective of selling goods and services abroad.

The group then takes its plans to the Justice Department for prior certification of an antitrust exemption, something that has never before been available. "The threat of antitrust action had always been one of the major deterrents to broader export trading activity," said Gilbert Simonetti Jr., a partner at the accounting firm of Price, Waterhouse. "Now companies will

have a broader measure of assurance against retroactive suits."

The other change is to permit bank holding companies for the first time to have a direct interest in a commercial export venture. The banks must get specific approval from the Federal Reserve Board for an equity participation of more than 20 percent in an export trading company.

Trading companies already have a trade organization, the Council for Export Trading Companies Inc. Its executive director, John C. Donaldson, a former assistant U.S. trade representative, said that antitrust restrictions and adequate access to export services and financing have been the two most frequently encountered impediments to export growth.

The commerce secretary, Malcolm Baldrige, said the legislation should help many medium-sized and smaller companies discover the advantages of exporting. Fewer than 5,000 companies, he noted, account for 25 percent of U.S. manufactured exports. One hundred companies account for half.

U.S. exports are now running at around \$250 billion a year. No one expects a sudden surge, but experts such as Joel D. Homberg, who founded a Chicago-based company that is one of the largest export management concerns, said the bill could mean as much as \$10 billion in additional foreign sales over the next two years.

He added that by the turn of the century, one-third of all U.S. exports could be handled through export trading companies.

Italy Public Sector Hard Hit by Crisis, Government Says

ROME — Italy's state-owned industries will lose an estimated 4.3 trillion lire (\$3 billion) this year, with steel and energy hard hit, State Industry Minister Giannide de Michelis said Tuesday.

This is more than double the previously estimated 1.887 trillion lire, but down from last year's 5.216 trillion lire.

Mr. de Michelis said that the plight of Italy's public sector, which accounts for about half the nation's industrial investment, had been aggravated by the continuing world recession, high interest rates and the lira's sharp fall against the dollar.

He added that IRI, the state industrial holding company which controls the steel sector, and ENI, the state-owned energy corporation, had been the hardest hit.

But he said that the slight improvement that was predicted for 1982 was a turning point and that the industries could be returned to profitability within the next three years.

Swiss Bank Profit Rose More Slowly in 1981

ZURICH — The 564 banks and financial institutions in Switzerland recorded a rise in profit in 1981, but the increase was lower than in 1980, the National Bank reported Tuesday.

Combined profit amounted to 2.6 billion Swiss francs (\$1.18 billion), an increase of 8.4 percent. This compared to a 17-percent rise in 1980.

W. Germany Seeks Banks' Loan Data

FRANKFURT — West Germany's banking supervisory office has asked banks for a detailed breakdown of their lending exposure to individual countries, a spokesman for the office in West Berlin said Tuesday.

Bankers said the request reflected growing concern at the supervisory office and at the Bundesbank over payment problems of countries such as Poland and Mexico.

The request was made to about 40 banks in a circular dated Sept. 27, the spokesman in West Berlin said. He said banks are being asked to provide exposure figures quarterly, dating from last July 4, for all countries, together with the portion covered by the govern-

ment-backed Hermes insurance program. The request is a significant broadening of an agreement by which the banks present the supervisory office and Bundesbank with consolidated balance sheets, which do not reveal exposure to individual countries, bankers said.

They estimated that West German banks have lent 25 billion Deutsche marks (\$10 billion) to Latin America's three biggest economies: Argentina, Brazil and Mexico. The bankers said they detected a new sense of urgency over banking supervision since the Mexican debt crisis of the summer.

In September 1980 the Bundesbank requested banks to provide details of loans to 12 countries, in-

cluding Argentina, Brazil, Iran, Mexico, Poland, Venezuela, Turkey and Yugoslavia. Bankers noted that the new request singles out no particular countries.

Dresdner Bank Earnings
The favorable trend in Dresdner Bank's earnings, recorded in the first half of 1982 continued in the third quarter, and full year results should be satisfactory, Reuters reported Tuesday from West Berlin, quoting Dresdner Bank's managing board spokesman, Hans Friedrichs.

Mr. Friedrichs said that losses from AEG-Telefunken's decision to seek a court settlement with its creditors can be absorbed by the bank without having to draw on hidden reserves this year.

The parent bank's partial operating profit in the first half, excluding results of trading operations on its own account, rose 41.4 percent to 392 million marks, Mr. Friedrichs said. He said at a news briefing that it was too early to forecast dividend payment on 1982 results.

He also said Tuesday that Poland's Western creditor banks will seek to put future debt rescheduling agreements on a longer-term basis.

Mr. Friedrichs noted that the rescheduling of Polish debt so far had been based on two agreements of one year each, covering amounts falling due in 1981 and 1982. Future agreements could cover payments due over three to four years, he said.

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Battle Tarnishes Image of Investment Bankers

(Continued from Page 9)

derstated Marietta's borrowing power. At a rumormongering session of the Bendix board, after four members had resigned and the remaining directors approved the Allied merger, board members complained that they had received bad advice from Salomon, a person familiar with the meeting said.

"When they started this deal, Bendix management didn't realize Marietta's maneuverability," said a banker. "This was Salomon's deal, and it exploded, and Salomon went down in the explosion."

In a deposition taken on Sept. 9 for a suit by Marietta against Bendix, Jay Higgins, the head of Salomon's mergers and acquisitions department, said Salomon had warned Bendix's board that Marietta could make a tender offer for Bendix.

With hindsight, however, his re-

marks indicate that Salomon may have underestimated Marietta's resistance. "We thought it highly unlikely that that offer would succeed," he said. "We felt confident that we were now bargaining over terms and that Martin Marietta had agreed with Bendix as to the wisdom of the combination itself."

Salomon has its defenders. "If they're getting criticized, it's very unfair," said Mr. Robatyn.

"Salomon is being made the scapegoat," said Martin Siegel, head of Kidder's mergers and acquisitions department. After the United Technologies bid, Mr. Agee "acted like George Steinbrenner — fire the manager," he added, referring to the owner of the New York Yankees baseball team.

With Bendix under siege, First Boston's assignment was to rescue the company, at the best possible price. On First Boston's advice, Bendix held out for \$85 a share from Allied for the stock not held by Marietta. In effect, that meant a gain of about \$20 over the average price to the public shareholders that had been offered by Marietta and United Technologies.

Had Allied balked at that price, participants in the negotiations said, Bendix would have continued its pursuit of Marietta. "We took the risk and it paid off," said Bruce Wasserstein, co-director of mergers and acquisitions for First Boston.

The verdict on Kidder's role in the takeover battle depends largely on the perception of how Marietta has emerged. Mr. Siegel views it as a triumph, and champagne corks popped at Kidder headquarters Sept. 27 in celebration.

But other members of the financial community, pointing to Mar-

ietta's sizable debt and the large Allied stake, suggested that the victory was Pyrrhic. Kidder "deserves a lot of credit for the tactics and bluntness for the results," said an investment banker.

But other bankers faulted Kidder's tactics, too. According to one, Kidder should have moved more quickly to line up a phalanx of "white knights" — companies that would make a partial bid for Marietta and thus give it more time. It was not until a week or so after Bendix's bid, Mr. Siegel said, that Kidder began looking for white knights.

A banker also took issue with Kidder's move to bring in United Technologies, a maneuver heralded as brilliant at the time. In fact, this banker said, the United Technologies bid had pushed the Bendix-Marietta quarrel nearer disaster by forcing Bendix to buy control of Marietta in order to escape United Technologies.

Mr. Siegel replied that Marietta's lawyers had raised objections to the partial-bid strategy, arguing that the courts might find it invalid. Furthermore, the LTV Corporation and the two other companies brought in by Kidder "didn't want to pay enough," he said. "People felt we were over the barrel and wouldn't pay top dollar."

In Mr. Siegel's view, Marietta's escape from Bendix was equally a victory for Kidder. Since 1976, Kidder has offered a "takeover defense service" designed to help prevent companies from being taken over and, not incidentally, to attract new corporate finance business to Kidder. More than 100 companies currently pay Kidder an annual retainer of \$75,000 for the service.

Lazard, which handled United

Technologies' unsuccessful bid, and Lehman, which represented Allied in the final negotiations, were only marginally involved. Still, a banker suggested that Lazard, which has recently had a handful of deals fall through, had lost some standing on Wall Street.

Mr. Robatyn dismissed that charge. "Anyone can win as long as they're willing to pay anything," he said. "I think we gave correct advice."

Nonetheless, Mr. Robatyn added, the entire affair has cast a shadow over the investment banking community. "There's a general perception that investment banks' fees are too high, and that they don't earn them," he said. "That opinion is so widespread that the investment banking community had better pay attention to it, or someone will pay attention for us."

Air France to Raise 700 Million Francs

PARIS — Air France has launched a bond issue of 700 million francs (about \$100 million) to finance its 1982 operations, a spokesman for the airline said.

The state-owned airline was authorized to issue 140,000 10-year bonds at 5,000 francs, bearing an interest of 16.4 percent, the spokesman said Monday.

U.S. Reserves Up in August

WASHINGTON — U.S. reserve assets rose \$6 million in August to \$31.2 billion, the Treasury Department said. In August 1981, reserve assets stood at \$29.2 billion.

Yugoslavia Vows Debt Repayment

The Associated Press

BELGRADE — Yugoslavia is not planning to seek a rescheduling of a foreign debt estimated at \$18 billion, Zvonko Dragun, the deputy prime minister, has told members of the European Parliament.

The Tanjug news agency said Tuesday that Mr. Dragun told the visitors Monday that "foreign trade solvency and repayment of debts are... priority tasks for Yugoslavia."

Yugoslav officials have repeatedly said that Yugoslavia would meet its obligations on time. This year, it has to pay back about \$5 billion in interest and principal.

New Issue
October 6, 1982

EUROFIMA

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Deutsche Girozentrale
— Deutsche Kommunalkbank —
Dresdner Bank
Aktiengesellschaft
B. Metzler & Co.

Schröder, Münchmeyer, Hengst & Co.

M.M. Warburg-Brinckmann, Wirtz & Co.

Bayerische Hypotheken- und Wechsel-Bank
Aktiengesellschaft
Joh. Berenberg, Gossler & Co.

Commerzbank
Aktiengesellschaft
Deutsche Verkehrs-Kredit-Bank
Aktiengesellschaft
Georg Hauck & Sohn Bankiers
Kommanditgesellschaft auf Aktien
Norddeutsche Landesbank
Girozentrale
Trinkaus & Burkhart

Westdeutsche Landesbank
Girozentrale
Württembergische Kommunale Landesbank
Girozentrale

Bank für Gemeinwirtschaft

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Bayerische Landesbank
Girozentrale
Berliner Handels- und Frankfurter Bank

Delbrück & Co.
DG Bank
Deutsche Genossenschaftsbank
Bankhaus Hermann Lampe
Kommanditgesellschaft
Sel. Oppenheim Jr. & Cie.

Vereins- und Westbank
Aktiengesellschaft
Westfälische Bank
Aktiengesellschaft

Bank für Gemeinwirtschaft

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Commerzbank

Aktiengesellschaft

Abu Dhabi Investment Company

Arab Banking Corporation (ABC)

Julius Baer International
Limited

Bank of America International
Limited

Bank of Tokyo International
Limited

Banque Générale du Luxembourg S.A.

Banque Nationale de Paris

Banque Populaire Suisse S.A. Luxembourg

Bayerische Hypotheken- und Wechsel-Bank
Aktiengesellschaft

Berliner Handels- und Frankfurter Bank

Chemical Bank International
Limited

Crédit Commercial de France

Creditanstalt-Bankverein

Deutsche Girozentrale
— Deutsche Kommunalkbank —
Euro Mobilare S.p.A.

Goldman Sachs International Corp.

Handelsbank N.W. (Oversee)
Limited

Kidder, Peabody International
Limited

Kreditbank S.A. Luxembourg

Lazard Frères et Cie

LTGB International
Limited

Merrill Lynch International & Co.

Morgan Grenfell & Co.
Limited

Den norske Creditbank

N.M. Rothschild & Sons
Limited

Schröder, Münchmeyer, Hengst & Co.

Société Générale
Swiss Bank Corporation
International Limited
Verband Schweizerischer Kantonalbanken

M.M. Warburg-Brinckmann, Wirtz & Co.

Westfälische Bank
Aktiengesellschaft

Deutsche Bank

Aktiengesellschaft

Dresdner Bank
Aktiengesellschaft

Algemene Bank Nederland N.V.

Arnhold and S. Blochroeder, Inc.

Banca Commerciale Italiana

Bank für Gemeinwirtschaft
Aktiengesellschaft

Banque Bruxelles Lambert S.A.

Banque Indosuez

Banque de Neufchâtel, Schlumberger, Mallet

Barclays Merchant Bank
Limited

Bayerische Landesbank
Girozentrale

Bankhaus Gebrüder Bethmann

Christiania Bank og Kreditkasse

Crédit Lyonnais

Dahwa Europe
Limited

DG Bank
Deutsche Genossenschaftsbank

European Banking Company
Limited

Groupement des Banquiers Privés Genevois

Hill Samuel & Co.
Limited

Kleinwort, Benson
Limited

Kuwait Foreign Trading Contracting &
Investment Co. (S.A.K.)

Lehman Brothers Kuhn Loeb
International, Inc.

Manufacturers Hanover
Limited

B. Metzler & Co.

The Nikko Securities Co., (Europe) Ltd.

Sel. Oppenheim Jr. & Co.

Salomon Brothers International

Skandinaviska Enskilda Banken

Société Générale de Banque S.A.
Trinkaus & Burkhart

Vereins- und Westbank
Aktiengesellschaft
S.G. Warburg & Co. Ltd.

Wood Gundy Limited

Morgan Stanley International

Aktiengesellschaft

Amro International
Limited

Atlantic Capital
Corporation

Banca del Gottardo

Bank Lou International Ltd.

Banque Française du Commerce Extérieur

Banque Internationale à Luxembourg S.A.

Banque Paribas

Baring Brothers & Co.,
Limited

Bayerische Vereinsbank
Aktiengesellschaft

Caisse des Dépôts et Consignations

County Bank
Limited

Credit Suisse First Boston
Limited

Delbrück & Co.

Dominion Securities Ames
Limited

Girozentrale und Bank
der Österreichischen Sparkassen
Aktiengesellschaft

Hambros Bank
Limited

Industriebank von Japan (Deutschland)
Aktiengesellschaft

Kreditbank N.V.

Kuwait Investment Company (S.A.K.)

Lloyds Bank International
Limited

Merck, Finck & Co.

Samuel Montagu & Co.
Limited

Nomura International Limited

Orion Royal Bank
Limited

J. Henry Schroder Wagg & Co.
Limited

Smith Barney, Harris Upham & Co.
Incorporated

Svenska Handelsbanken
Union Bank of Switzerland
(Securities) Limited
J. Vontobel & Co.

Westdeutsche Landesbank
Girozentrale
Yam

SPORTS

Woman Paraplegic Wins Archery; Thompson Takes Decathlon Easily

Compiled by Our Staff From Dispatches
BRISBANE, Australia — New Zealander Neroli Fairhall Tuesday became the first paraplegic ever to win a major title in open competition when she took the women's archery gold medal at the 12th Commonwealth Games.

The 38-year-old from Christchurch has been confined to a wheelchair since losing the use of her legs in a motorcycle accident in 1969. She and Janet Yates of Northern Ireland finished in a rare tie, at 2,373 points after

four rounds, but Fairhall won the gold on her record of consistency over the two days of competition. Asked if she thought she had an advantage in shooting from a seated position, Fairhall replied: "I can't answer that. I've never shot an arrow standing up."

Only two titles were decided in track and field Tuesday, both going to England. Olympic and European champion Daley Thompson, the world's greatest all-round athlete, easily retained his Commonwealth decathlon crown, coasting to victory with an aggregate of 8,410 points, more than 400 ahead of Canadian Dave Steen. Thompson's score was well outside his world record of 8,743.

On the second day of the 10-event competition, Thompson appeared to be coasting, although he had the best performance in the pole vault at 4.90 meters (16 feet, 1 inch).

To set a Commonwealth record, Thompson needed only to run the 1,500 meters in 4:34.3, a time he has bettered many times. But, the gold secure, he was content to coast home and, finishing ninth in 4:43.8.

"I was not at my best," commented the confident winner. "I do not have to be."

Judy Oak of England upset Australia's defending champion Gail Mulhally to win the women's shot putt with an effort of 17.92 meters (58 feet 9 1/2 inches).

Canada won three of the day's four swimming golds. Yet another disqualification played a part, as the Australian women's 4-x-100-meter medley team finished a half-second ahead of the Canadians but was taken down for a faulty final change-over.

Michelle Ford scored Australia's lone swimming success of the day in the women's 200-meter butterfly. Her 2:11.89 was six-tenths of a second outside the Commonwealth record.

John Burns gave Wales with its second gold of the games by winning the 110-kilogram weightlifting division with a total of 347.5 kilograms (764.5 pounds), while Australian Dean Lukin took the superheavyweight category by totaling 377.5 kilograms (830.5 pounds).

Australia also won the men's 1,000-meter bicycle sprint, Kenneth Tucker beating New Zealander Mike McRedmond, 2-0.

After five days of competition, Australia has 23 golds, followed by England (20), Canada (12), Scot-

land (3), New Zealand (3) and Wales (2). Nigeria, Jamaica, Tanzania and Kenya have one gold apiece.

Thompson's record in the decathlon was set in 1976 at the Olympic Games in Montreal. He is the only athlete to have won the decathlon at the Olympic, Commonwealth and European Games.

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Daley Thompson
No need to be at his best.

Well-Oiled Oilers the Best of the West

NEW YORK — In one of Tuesday's three opening-night games in the 1982-83 National Hockey League season, the Edmonton Oilers were to play provincial rival Calgary. The Flames have a new coach in Bob Johnson, who has pledged to put together a tough defensive team. But the Oilers have the same old nemesis in Wayne Gretzky, the primary reason that Edmonton appears to be the class of the Campbell Conference, which comprises the league's 10 westernmost teams.

A look at the Campbell's two divisions, in projected orders of finish:

Smythe Division

Gretzky, the league's most valuable player, rewrote the record book last year with 92 goals and 120 assists for 212 points while leading Edmonton to a divisional romp. The Oilers finished with the league's second-best record, and now they have landed center Ken Linseman, who last year led Philadelphia in scoring with 92 points.

As the No. 2 center, Linseman and will pivot a line that includes wings Mark Messier (50 goals) and Glenn Anderson (38 goals, 67 assists/105 points). Whoever Gretzky's linemates are — probably wings Jari Kurri (32-54-86) and Jarrod Pinsonneault — there will be plenty of scoring. The machine is well-oiled.

The defense needs a more consistent season from Paul Coffey, but Kevin Lowe and Lee Fogelin are steady. They'll need to be if Coach Glen Sather allows the Oilers to continue a no-holds-barred attack that produced a league record 417 goals but gave up 295.

Winnipeg's record improvement of 48 points last season was no fluke. Rookie of the year center Dale Hawerchuk (45-58/103) may be the game's next great player and Dave Babych's next great defenseman. Morris Lukowich (43-49/92) and Dave Christian (25-51/76) are also for real, and NHL coach of the year Tom Watt has a stable of solid young talent.

Veterans Ed Stasiowski and Doug Soetaert, freed from perennial backup status in St. Louis and with the New York Rangers, respectively, share the goaltending.

Still making the defensive work that carried it to the Stanley Cup finals, Vancouver hopes to rise be-

hind goalie Richard Brodeur, defenseman Harold Snepsts, Kevin McCarthy and Lars Lindgren, and such two-way forwards as Thomas Gradin (37-49/86), Stan Smyl (34-44/78), Ivan Boldirev (33-40/73) and Curt Fraser. The Canucks are

NHL PREVIEW

a good team, but not as good as they seemed to be before the New York Islanders flattened them in last spring's finals.

The Triple Crown Line may be reunited in Los Angeles now that Charlie Simmer appears recovered from a broken leg suffered 1 1/2 years ago. Right wing Dave Taylor (39-67/106) is one of the best forwards in hockey and center Marcel Dionne (50-67/117) one of the top scorers. Young forwards Steve Bossé (33 goals), Jim Fox (30), Bernie Nicholls and Daryl Evans add flash to the attack.

Goaltie Mark Lessard needs a quality backup to share the workload. Defensemen Dave Lewis and Jerry Korab are solid.

Calgary's Johnson may wish he were back coaching at the University of Wisconsin rather than dealing with the complaining and inconsistency the Flames were known for last year. But at least Kent Nilsson returns to health — and probably to a spot among the scoring leaders — and Mel Bridgman (33-54/87), Lanny McDonald (40-42/82) and Guy Chouinard (23-37/60) are no slouches. Don Edwards might play ever game in goal — he'd like to — but with Paul Reinhart as the team's only reliable defenseman, he might think twice about it before too long.

Norris Division

Two seasons ago, Minnesota surprised everyone by storming to the cup finals. Last spring, the North Stars fell flat, upset by Chicago in the playoffs.

But this is a solid team to which Lou Nanne, a gambling general manager, has added high-scoring junior Brian Bellows. Bobby Smith (43-71/114), Dino Ciccarelli (25-52/77), Neal Broten (38-59/97) in 73 games) and Steve Payne (33 goals) are explosive up front — and Craig Hartsburg, Gordie Roberts and Brad Maxwell can score from defense.

Another club that prefers to look back last season to 1980-81 is St. Louis. The Blues wound up second overall two years ago, but

crashed to a divisional tie for third last year.

Mike Liut (28-28-7) is a superb goalie, but the Swiss-cheese defense needs shoring up for him to be at his best. The attack is first-rate behind Bernie Federko (30-62/92), Brian Sutter (39-36/75), Joey Mullen (59 points in 45 games), Jorgen Pettersson (38 goals) and Wayne Babych.

Tony Esposito finally may be supplanted as Chicago's No. 1 goalie by Murray Bannerman. Denis Savard (32-87/119), Norris Trophy winner Doug Wilson (39-46/85), Al Secord (44 goals), Tom Lysiak (32-40/82) and Darryl Sutter, if healthy, will lead a potent offense.

If defenseman Borje Salming says interested, if goalie Vincent Tremblay gets better, if kids like Bob McGill, Jim Benning and top draftee Gary Nylund play near to their potentials; if Rick Vaive scores 54 goals again — then Toronto might just escape the cellar. But don't count on it.

The Italian Connection of General Manager Jimmy Devallano and Coach Nick Polano should return Detroit to the playoffs, if not to respectability. All the Red Wings have to do is beat out Toronto, and they should be able to do so — with expected improvement from Reed Larson, John Ogrudnick and Mark Osborne and with decent goaltending from Gilles Gilbert.

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Black Monday — and a Bright Day for England

LONDON — Monday was a black day in England for the Ku Klux Klan. It was the day that six exciting young black players were named to a national soccer squad.

Yes, the pun is as intended as it is obvious. For Monday represents the best answer yet to the threatening racist mail some of us began to receive from the so-called Knights of the Invisible Empire for observations that the hour would surely come when England, like Brazil, fielded a truly integrated side.

That a new international manager should declare his hand and point up the future so clearly is surprising only because it emphasizes how quickly attitudes have changed. Precisely seven years ago I canvassed 14 leading soccer managers to ask why the prominence of blacks in Britain's wastelands, and on school and parks teams, was not reflected in the professional league. The astonishing reply, from 12 of the 14, was that black players lacked "bottle."

The term is soccer jargon for courage. Well, the cowards are winning now and, in a land that only recently has suffered the inner-city racial riots of America's past, we can only pray that for once England's national sport is going to lead its society's ill-prepared challenge of living together.

Insists Bobby Robson, England's manager for a bare few

months: "I don't wish to talk on color issues — I look on them as players."

Quite right, in the purist sense. Yet since Robson is neither blind nor deaf, he cannot have been unaware of the English youths who followed his under-21 side to Copenhagen three weeks ago, and late joined and made monkey sounds at every touch by a black player.

Those youths and their like, some flying the banner of the racist National Front, insist on their sporting days like lice. Silent Rob-

ROB HUGHES

son may wish to be, but his choice for the squad now preparing to meet West Germany at Wembley next Wednesday represents as bold and important a statement as any in his 33-year involvement with soccer.

Robson will doubtless receive chilling evidence of that in his mailbox. One letter, quite likely postmarked North London but using American letterhead, will begin, "Nigger Lover... Watching you every day." It will urge that we "resettle all Negroes in their African homeland" and will conclude that "you have been visited by the Ku Klux Klan." The trash bin awaits such mail.

Meanwhile, it so happens that the majority of Robson's newcomers have direct descendants in the West Indies which, undeniably, can supply the spontaneity and fluency of movement the soccer world could see were missing in the organized but predictable English side that failed at the World Cup.

To locals who support Luton Town, Ricky Hill is "the black brooding." A splendid description, it befits the real tolerance of the majority. At 23, Hill resembles Trevor Brooking, England's most fluent creator of the past decade, in build, mildness of manner and the way he runs with the ball.

Hill is a Londoner, born in Paddington of Jamaican parents.

He is the most likely new cap to join the team's Viv Anderson, the first England nonwhite international three years ago, and Cynille Regis, the dynamic French Guianese-born goal-keeper.

Wendell, like Luton newly promoted to the first division, divides two of the new boys, both born in Jamaica. Luther Blissett, son of a carpenter, has been close to selection for some time, but his partner, John Barnes, reflects the phenomenal rise of youth.

Barnes is 18, a left winger of lithe elasticity, gifted with the acceleration to spurt past defenders, the touch to outfox them and the instincts to go for goal. His father, who played for Jamaica in 1967, taught him when Barnes senior became a footballer as military attaché in 1976, the soccer dream took root. Last March, the teenager rejected an England youth cap, feeling he had at least a year to make up his mind where his international allegiance lay.

The call to England's under-21 last month — and now the quick promotion — have settled that, although Barnes' father, a colonel, is back home in Kingston.

The black Stanley Matthews might seem a good apt label for Barnes, except that he has already been bestowed on the sixth black player called up by Robson. Mark Chamberlain, 19, probably has more right to the "compliment," as he sees it. He is a right winger, he snakes past fullbacks with a body swerve reminiscent of the maestro two months ago was transferred to Stoke City, one of Sir Stanley's old club.

Chamberlain, born (he too of Jamaican parents) near Stoke, has had a meteoric rise. Until his £150,000 (about \$252,000) transfer from Port Vale, he was a fourth division novice. Now, after eight games in the top flight, he is England material. Every defender I have spoken to has questioned the opinion that he is overrated.

Each of these players knows about turning the other cheek. As blacks in a British society, they

know how difficult it is for their less gifted friends to find jobs and to hear new echoes of calls for repatriation. Yet John Barnes dismisses the theory of the hungry black succeeding through sports:

"I don't see myself as different to

